REGISTRATION DOCUMENT

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

Dated 29 May 2017

In respect of an issue of €40,000,000 5.0% Unsecured Bonds 2022
of a nominal value of €100 per Bond issued at par by

MEDITERRANEAN INVESTMENTS HOLDING PLC
A public limited liability company registered in Malta with company registration number C 37513

Guaranteed by
CORINTHIA PALACE HOTEL COMPANY LIMITED
A private limited liability company registered in Malta with company registration number C 257

ISIN: MT0000371287

Prospective investors are to refer to the Guarantee contained in Annex A of the Securities Note forming part of the Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "*Risk Factors*" contained in the Summary Note, this Registration Document and the Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by Corinthia Palace Hotel Company Limited.

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

APPROVED BY THE DIRECTORS

Joseph Fenech

Joseph Fenech for and on behalf of:
Alfred Pisani, Samuel D. Sidiqi, Joseph Pisani,
Faisal J. S. Alessa, Mario P. Galea, Bassem Bitar

LEGAL COUNSEL	SPONSOR	REGISTRAR & MANAGER
GVZH ADVOCATES	RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	BOV Bank of Valletta

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON MEDITERRANEAN INVESTMENTS HOLDING PLC IN ITS CAPACITY AS ISSUER AND CORINTHIA PALACE HOTEL COMPANY LIMITED IN ITS CAPACITY AS GUARANTOR IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES ISSUED BY THE LISTING AUTHORITY, THE COMPANIES ACT, 1995 (CHAPTER 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS, AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISERS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR AND MAKES NO REPRESENTATIONS AS TO THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER AND/ OR THE GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISERS, ACCOUNTANTS AND/ OR OTHER FINANCIAL ADVISERS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND

REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING (THE "**PROSPECTUS DIRECTIVE**") OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE COMPANIES ACT.

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISERS TO THE ISSUER AND GUARANTOR NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING "*ADVISERS TO THE ISSUER AND GUARANTOR*" IN SUB-SECTION 4.4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S AND/OR GUARANTOR'S WEBSITES OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S OR GUARANTOR'S WEBSITES DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS.

1 DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

"Act" or **"Companies Act"**	the Companies Act, 1995 (Chapter 386 of the laws of Malta);
"AHCT"	Alinmaa Holding Company for Tourism & Real Estate Investments, a company registered under the laws of Libya and having its registered office at Al-Hamamat St., Al Madina Alsiahya, Tripoli, Libya;
"AUCC"	Arab Union Contracting Company, a company registered under the laws of Libya and having its registered office at Level 21, General Department, Tripoli Tower, Tower 1, Tripoli, Libya;
"Authorised Intermediaries"	all the licensed stockbrokers and financial intermediaries listed in Annex D of the Securities Note forming part of the Prospectus;
"Bond/s"	the €40,000,000 unsecured bonds 2022 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.0% per annum. The Bonds are guaranteed by CPHCL;
"Bondholder"	a holder of Bonds;
"Corinthia Group"	CPHCL (as defined below) and the companies in which CPHCL has a controlling interest;
"CHI Limited"	CHI Limited, a company registered under the laws of Malta having its registered office at 1, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 26086;
"CPHCL" or **"Guarantor"**	Corinthia Palace Hotel Company Limited, a company registered under the laws of Malta with company registration number C 257 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. CPHCL is the parent company of the Corinthia Group and is acting as Guarantor in terms of the Guarantee;
"Directors" or **"Board"**	the directors of the Issuer whose names are set out in sub-section 4.1 of this Registration Document;
"EBITDA"	earnings before interest, tax, depreciation and amortization;
"EDREICO"	Economic Development and Real Estate Investment Company, a company registered under the laws of Libya and having its registered office at 49, Fourth Floor, Burj Al Fatah Tower, PO BOX 93142, Tripoli, Libya;
"Euro" or **"€"**	the lawful currency of the Republic of Malta;
"Exchange" or **"Malta Stock Exchange"** or **"MSE"**	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
"Financial Analysis Summary"	the financial analysis summary dated 29 May 2017 compiled by the Sponsor in line with the applicable requirements of the Listing Authority policies and which is intended to summarise the key financial data set out in the Prospectus appertaining to the Issuer, a copy of which is set out in Annex C of the Securities Note forming part of the Prospectus;

"GBP" or **"£"** or **"Pound Sterling"**	the lawful currency of the United Kingdom;
"GBP Rate of Exchange"	the rate of exchange for the purposes of this Prospectus between the Euro and the Pound Sterling, applicable to the GBP Bonds forming part of the Maturing Bonds, that is €1.00 : £0.86340. In determining the aforesaid exchange rate, the Issuer has been guided by the reference exchange rate as published by the European Central Bank on 24 May 2017 at 16:00 hours CET *(https://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html);*
"Group"	the Issuer (parent company), PCL and PWL (subsidiary companies) and MTJSC (associate company);
"Guarantee"	the suretyship of the Guarantor in terms of the guarantee contained in Annex A of the Securities Note forming part of the Prospectus and as described in Element B.18 of the Summary Note forming part of the Prospectus;
"IHI"	International Hotel Investments plc, a company registered under the laws of Malta with company registration number C 26136 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"IHGH"	Island Hotels Group Holdings plc, a company registered under the laws of Malta having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta and bearing company registration number C 44855, and the companies in which IHGH has a controlling interest;
"Island Caterers Limited"	Island Caterers Limited, a company registered under the laws of Malta having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta and bearing company registration number C 9377;
"Issuer" or **"MIH"**	Mediterranean Investments Holding plc, a company registered under the laws of Malta with company registration number C 37513 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"Listing Authority"	the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the laws of Malta) by virtue of Legal Notice 1 of 2003;
"Listing Rules"	the listing rules issued by the Listing Authority, as may be amended from time to time;
"LFICO"	Libyan Foreign Investment Company, a company registered under the laws of Libya with company registration number 9481 and having its registered office at Ghadem Aljabel, Gharian, P.O. Box 4538 Tripoli, Libya;
"LPTACC"	Libya Projects General Trading And Contracting Company, a company registered under the laws of Kuwait with company registration number 119633 and having its registered office at Office 16/Mezzanine, Block 12, Al Asfour International Company, Al Manqaf, Kuwait;
"Malta Stock Exchange Bye-Laws"	the Malta Stock Exchange plc bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time;

"Maturing Bonds"	the 7.15% bonds 2015 - 2017 due to be redeemed by the Issuer on 6 July 2017 in a combination of EUR (€) denominated Bonds, GBP (£) denominated Bonds and USD ($) denominated Bonds, with ISIN code MT0000371238 for the EUR Bonds, MT0000371246 for the GBP Bonds and MT0000371253 for the USD Bonds, issued by the Issuer pursuant to a prospectus dated 14 June 2010, and amounting as at the date of the Prospectus to an aggregate amount of €39,920,281 (for the purpose of ascertaining the aggregate principal amount of the Maturing Bonds, specifically the GBP Bonds and USD Bonds forming part thereof, reference is made to the GBP Rate of Exchange (against the Euro) and the USD Rate of Exchange (against the Euro) respectively);
"Medina Tower"	the proposed Medina Tower project in Tripoli, Libya;
"MFSA"	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1988 (Chapter 330 of the laws of Malta);
"MTJSC"	Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 L(2010), having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343;
"NPHC"	National Projects Holding Company (KSC), a company registered under the laws of Kuwait with company registration number 111731 and having its registered office at National Market Building, Fourth Floor, Office 24, Abdullah Al Salem, Al Mirqab, Kuwait;
"NREC"	National Real Estate Company KSCP, a company registered under the laws of Kuwait with company registration number 19628 and having its registered office at P.O. Box 64585, Shuwaikh, B 70456, Kuwait;
"Official List"	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
"Palm City Residences"	the Palm City Residences, a property operated by PCL (as defined below) and situated in Janzour, Libya;
"PCL" or **"Palm City Ltd"**	Palm City Ltd, a company registered under the laws of Malta with company registration number C 34113 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"PWL"	Palm Waterfront Ltd, a company registered under the laws of Malta with company registration number C 57155 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"Prospectus"	collectively the Summary Note, this Registration Document and the Securities Note, all dated 29 May 2017, as such documents may be amended, updated, replaced and supplemented from time to time;
"Prospectus Directive"	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
"QPM" or **"QPM Limited"**	QPM Limited, a company registered under the laws of Malta with company registration number C 26148 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;

"Redemption Date"	6 July 2022;
"Registration Document"	this registration document in its entirety issued by the Issuer dated 29 May 2017, forming part of the Prospectus;
"Regulation"	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;
"Securities Note"	the securities note issued by the Issuer dated 29 May 2017, forming part of the Prospectus;
"Sponsor"	Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a private limited liability company registered under the laws of Malta having its registered office at Airways House, Third Floor, High Street, Sliema SLM 1549, Malta and bearing company registration number C 13102. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. is an authorised financial intermediary licensed by the MFSA and a member of the MSE;
"Summary Note"	the summary note issued by the Issuer dated 29 May 2017, forming part of the Prospectus;
"The Coffee Company Malta Limited"	The Coffee Company Malta Limited , a company registered under the laws of Malta with company registration number C 55973 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"USD" or **"$"** or **"US Dollar"**	the lawful currency of the United States; and
"USD Rate of Exchange"	the rate of exchange for the purposes of this Prospectus between the Euro and the US Dollar, applicable to the USD Bonds forming part of the Maturing Bonds, that is €1.00 : $1.1193. In determining the aforesaid exchange rate, the Issuer has been guided by the reference exchange rate as published by the European Central Bank on 24 May 2017 at 16:00 hours CET (*https://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html*).

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

a) words importing the singular shall include the plural and vice-versa;
b) words importing the masculine gender shall include the feminine gender and vice-versa;
c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER AND/OR THE GUARANTOR. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR ARE IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND ON THE ABILITY OF THE ISSUER AND/OR GUARANTOR TO FULFIL THEIR RESPECTIVE OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AND THE GUARANTOR AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND THE GUARANTOR MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S AND/OR GUARANTOR'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR GUARANTOR.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE GUARANTOR OR THE SPONSOR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's and Guarantor's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's and Guarantor's control.

Important factors that could cause actual results to differ materially from the expectations of the Issuer's and/or Guarantor's directors include those risks identified under this heading "*Risk Factors*" and elsewhere in the Prospectus. If any of the risks described were to materialise, they could have a material effect on the Issuer's and/or Guarantor's financial results, trading prospects and the ability of the Issuer and/or Guarantor to fulfil their respective obligations under the securities to be issued in terms of the Prospectus.

Accordingly, the Issuer and Guarantor caution prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and/or Guarantor with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled "*Risk Factors*" for a further discussion of the factors that could affect the Issuer's and/or Guarantor's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Prospectus may not occur. All forward-looking statements contained in the Prospectus are made only as at the date hereof. The Issuer, Guarantor and their respective directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity, unless the Bonds are previously re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.

2.2 Risks relating to the Group and its business

2.2.1 General

The Issuer was incorporated in 2005 and, through PCL, has been primarily involved in the development and operation of Palm City Residences. Until such time when the Medina Tower project and the Palm Waterfront project are fully developed and launched on the market, the Issuer will continue to be solely dependent on the business prospects and operating results of PCL.

The operations of PCL and its operating results are subject to a number of factors that could adversely affect the Group's business and financial condition, some of which are beyond the Group's control.

2.2.2 Risks relating to the political, economic and social environment of the country in which the Issuer operates.

The country in which the Group operates may be susceptible to political, economic or social risks not normally encountered in more developed countries. Whilst the Issuer and PCL are registered in Malta, all of their respective assets, operations, business interests and activities are located or conducted in Libya through a branch of PCL. The Issuer is also an investee in a joint stock company MTJSC in respect of the business interests of the Medina Tower project, another project that will be developed in Tripoli, Libya. An application for the establishment of an investment project is underway at the Libyan Ministry of Economy in respect of the future development of Palm Waterfront. The Group's business activities over the coming years are expected to be focused on and aimed at the development of the Medina Tower project in which the Group has a 25% holding and Palm Waterfront, which is to be developed by a 100% owned subsidiary of the Issuer. Accordingly, the Group is susceptible to the political and economic risks that may from time to time influence Libya's prospects. Negative political or economic factors and trends in or affecting Libya could have a material impact on the business of the Issuer.

As the political, economic and social environment in Libya remains subject to continuing change, investment in this country is characterised by a significant degree of uncertainty and unpredictability. Any unexpected changes in the political, social, economic or other conditions in Libya may have an adverse effect on the operations and financial results of the Group and on any investments made by the Group, as occurred during 2011 and again in 2014 when PCL's operations were adversely affected by the conflict and political turmoil in Libya, reporting decreases in occupancy levels and apartment rental rates for those years. The consequences may be profound and, accordingly, prospective investors should take into account the unpredictability associated therewith.

2.2.3 Emerging market

Prospective investors should also note that emerging markets present economic and political conditions which differ from those of the more developed markets and could possibly present less social, political and economic stability, which could render investment in such markets more risky than investments in more developed markets.

The Group's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in emerging markets. Specific country risks that may have a material impact on the Group's business, operating results, cash flows and financial condition include: acts of warfare and civil clashes; political, social and economic instability; government intervention in the market, including tariffs, protectionism and subsidies; changes in regulatory, taxation and legal structures; exchange control and rules on expropriation, nationalisation and/or confiscation of assets; difficulties and delays in obtaining permits and consents for operations and developments; inconsistent governmental action and/or lack or poor condition of infrastructure.

The Libyan legal and judicial system may be different from that which some investors may be more familiar with in certain civil and common law jurisdictions, and investors in Malta may consider such a system as not providing, in various aspects, the level of comfort for investment which they are used to under the Maltese legal system or other civil and common law jurisdictions, and, accordingly, they may consider that the Issuer may face difficulties in enforcing its legal rights relating to its investments made in Libya.

Businesses in emerging markets may not be operating in a market-oriented economy as known in more developed markets.

2.2.4 Libya

The continued instability and state of uncertainty prevailing since the 2011 uprising continues to have a negative effect on travel to Libya and, accordingly, on the performance and operation of the Group as well as on the financial results of the Group. Economic uncertainty and political risk remain high in Libya with prevalent threats to positive development. Most foreign embassies in Libya remain at present either closed or have suspended operations and withdrawn their diplomatic staff, albeit recently a number of countries have re-opened their embassies. Those governments that have as yet not re-opened their embassy in the country have advised their respective nationals against all unnecessary travel to the country. Although an agreement was reached in December 2015 for the formation of a Government of National Accord, sustained levels of governance, stability and economic development cannot as yet be considered to have been achieved, and notwithstanding the reported efforts of the UN Special Mission in Libya (UNSMIL) the threat of further deterioration in Libya's general economic and social situation prevails.

Security concerns resulting from the above, as well as social unrest and lack of clarity on the political situation, have also brought about a decline in investor confidence, investment (including foreign direct investment) and capital spending.

The above-mentioned negative political or economic factors and trends may continue to have a negative influence on the operating results of the Group and could also have a material impact on the business of the Issuer in the region.

2.2.5 Natural disasters, contagious disease, terrorist activity and war have, in the past, adversely affected the expatriate community and similar events could adversely affect the industry in the future

Natural disasters, the spread of contagious disease, industrial action, travel-related accidents, terrorist activity and war and the targeting of particular destinations have, in the past, had a significant negative impact on the travel industry globally and such events could have a similarly negative impact in the future.

Such events occurring in the location where the Group operates will invariably affect tenancy patterns and reduce the number of business travellers to the country, including demand for residential accommodation at Palm City Residences. In addition, concerns about air travel safety could substantially decrease the overall amount of air travel. Actual or threatened war, terrorist activity, political unrest, civil strife and other geopolitical uncertainty may also reduce overall demand for business travel. Furthermore, the occurrence of any of these events or increasing concerns about these events could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group and/or the Guarantor.

2.2.6 Liquidity Risk

In view of the fact that the Group is, in part, a property holding organisation, coupled with the fact that property is a relatively illiquid asset, such illiquidity may affect the Group's and/or the Guarantor's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market or other conditions, or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiration of the lease term. These factors could have an adverse effect on the Group's financial condition and results.

2.2.7 *Risks relating to property development*

The main pillar of the Group's business consists of the acquisition, development and running of real estate projects in Libya. Property development projects are subject to a number of specific risks inherent in this field – the risk of cost overruns; the risk of insufficiency of resources to complete; the risk of sale or rental transactions not being effected at the prices and within the timeframe envisaged; higher interest costs; and the erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance.

Furthermore, the Group is subject to various counter-party risks, such as contractors and subcontractors engaged in the demolition, excavation, construction and finishing of developments in which the Group may be involved, and prospective purchasers and/or lessors defaulting on their obligations with the Group. Such parties (which may include both third parties as well as related parties) may fail to perform or default on their obligations to the Group due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's and/or the Guarantor's control.

If such risks, many of which are common to the real estate industry, were to materialise, they could have an adverse impact on the Group's and/or the Guarantor's revenue generation, cash flows and financial performance.

2.2.8 *Litigation Risk*

All industries, including the property development industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Issuer's and/or the Guarantor's future cash flow, results of operations or financial condition.

2.2.9 *The Group may not be able to obtain the capital it requires for development or improvement of existing or new properties on commercially reasonable terms, or at all*

The Group's ability to implement its business strategies is dependent upon, amongst other things, its ability to generate sufficient funds internally and to access financing at acceptable costs. No assurance can be given that sufficient financing for its current and future investments will be available on commercially reasonable terms or within the timeframes required by the Group, also taking into account the need, from time to time, for the Group's properties to undergo renovation, refurbishment or other improvements. Any weakness in the capital markets may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future investments. Failure to obtain, or delays in obtaining, the capital required to complete current or future developments on commercially reasonable terms, including increases in borrowing costs or decreases in loan funding, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

2.2.10 *Fluctuations in property values*

As stated above, the Group is involved in the acquisition and development of properties. Property values are affected by and may fluctuate, inter alia, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Group's property portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, interest and inflation rate fluctuations.

The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values. The valuation of property and property-related assets is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which valuations are carried out. Accordingly, there is no assurance that valuations of Group properties and property-related assets will reflect actual market values that could be achieved upon a sale. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the relative valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.

2.2.11 The Group's indebtedness could adversely affect its financial position

The Issuer and PCL both have a material amount of debt, and the amount of debt funding of the Issuer is expected to increase as and when the Issuer undertakes the Medina Tower and the Palm Waterfront projects, and other possible future development plans.

A substantial portion of the Group's generated cash flows will be required to make principal and interest payments on the Group's debt. A substantial portion of the cash flow currently generated from PCL's operations is utilised to repay its debt obligations pursuant to the terms of the facilities provided. The financial covenants to which such facilities are subject to give rise to a reduction in the amount of cash available for distribution to the Issuer which would otherwise be available for funding of the Issuer's working capital, capital expenditure, development costs and other general corporate costs, or for the distribution of dividends.

The bank agreement regulating bank credit facilities, which PCL is party to, contains financial covenants which could limit PCL's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally, or otherwise inhibit the ability to conduct necessary corporate activities; and which, subject to applicable grace periods, could render the Issuer liable, in its capacity as joint and several guarantor for the purposes of the facility, for defaults by the parties to the facility. Any cross-default provisions contained in such facilities could have a material adverse effect on the financial position of the Issuer. Pursuant to the terms of issue of the said bank credit facilities, the land on which Palm City Residences has been constructed is subject to a land charge granting a right of preference and ranking to the lending banks in priority and preference to other creditors.

As to the Medina Tower and Palm Waterfront projects, MTJSC and PWL will be negotiating bank credit facilities for the construction of their respective projects once a decision is taken to execute these projects. The agreements regulating the bank debt are likely to impose significant operating restrictions and financial covenants on MTJSC and PWL. These restrictions and covenants could limit the ability of each of the said companies and the Group to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. Furthermore, the sites on which the Medina Tower and Palm Waterfront are to be constructed may be subject to a land charge granting a right of preference and ranking to the lending banks in priority and preference to other creditors.

2.2.12 The Group may be exposed to certain financial risks, including interest rate risk which the Group may be unable to effectively hedge against

The Group's activities potentially expose it to a variety of financial risks, including market risk (principally interest rate risk and fair value risk), credit risk and risks associated with the unpredictability of financial markets, all of which could have adverse effects on the Group's financial performance.

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Group may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows if any future borrowings are made under bank credit facilities set at variable interest rates. Although in such a case the Group may seek to hedge against interest rate fluctuations, this may not always be economically viable. Furthermore, the possibility of hedging may in future be curtailed due to the unavailability or limited availability of hedging counterparties. An increase in floating interest rates which is not hedged by the Group may have a material adverse effect on its business, financial condition and results of operations.

2.2.13 Exchange rate risk and other regional economic developments may have a material adverse effect on the Issuer's business, financial condition and results of operations

The Issuer's overseas operations are exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions, receivables and borrowings that are denominated in a currency other than the Euro. As a result, exchange losses may arise on the realisation of amounts receivable and the settlement of amounts payable in foreign currencies.

The Issuer's financial statements, which are presented in Euro, can be affected by foreign exchange fluctuations through both translation risk, which is the risk that the financial statements for a particular period or as of a certain date depend, although in part only, on the prevailing exchange rate to the Libyan Dinar against the Euro; and transaction risk, which is the risk that the currency of the costs and liabilities fluctuates in relation to the currency of its revenue and assets, which fluctuation may adversely affect its operating performance.

2.2.14 Issuer's reliance on PCL to service and repay Issuer's debt securities

The timely payment of interest payable by the Issuer on its debt securities could be negatively conditioned by unforeseen adverse circumstances affecting the operations of PCL which could significantly impinge on PCL's cash flow.

The payment of interest and/or capital repayment on the Issuer's debt securities will be funded principally by the dividend pay-outs of PCL. The payment of dividends by PCL will depend on, among other factors, any future profits, financial position, working capital requirements, general economic conditions and other factors that its board of directors deems significant from time to time. Accordingly, any occurrence that could impede or otherwise delay the cash flow generation from Palm City Residences could have a detrimental impact on PCL's ability to pay dividends, which in turn would have an adverse impact on the ability of the Issuer to meet interest payments or capital repayments on its securities on their due date.

Furthermore, in respect of Palm City Residences, the Group could in future face competition from other residential properties in its area of operation. The principal factors which the Issuer expects could affect the said property's ability to both attract new tenants as well as retain tenants beyond the term of their current lease are, amongst others:

- the availability of other residential properties;
- the quality of the amenities and facilities offered;
- the level of security offered;
- the convenience and location of the residential property;
- transport infrastructure;
- the age and quality of the building in comparison to competing properties;
- the number of people who work in the Tripoli catchment area;
- the strength of tenant demand;
- the quality of past and present tenants; and
- fluctuations in rental rates and asset values of the Group's properties as well as of property in and around Tripoli generally.

2.2.15 Reliance on the Corinthia Group and NREC

The Issuer relies, and will in future be relying heavily, on the contacts and expertise of the Corinthia Group and NREC, its principal shareholders, in connection with providing assistance in the application for and procurement of permits, licenses or other development authorisations from the competent authorities in Libya, in relation to present and future projects. However, no assurance can be given that the Issuer or its subsidiaries will be able to use such contacts and expertise as and when required.

The involvement of CPHCL and NREC in the Issuer is considered to be an important factor for the success of the Issuer, and for reasons such as those set out in the preceding paragraph, the dilution of their interest in the Issuer, if it were to occur, could have an adverse effect on the Issuer.

2.2.16 Reliance on key senior personnel and management

The Group's growth since inception is, in part, attributable to the efforts and abilities of the members of the executive management teams and other key personnel of the Issuer and PCL. If one or more of the members of this team were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

In common with many businesses, the Issuer will be relying heavily on the contacts and expertise of its senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Issuer's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on the Issuer's business.

2.2.17 The Group's insurance policies

Historically, the Group has maintained insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the business and the country in which the Group operates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

2.2.18 Other risks

The Group is subject to taxation, environmental and health and safety laws and regulations. As with any business, the Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus upon the business and operations of Group companies.

2.3 Risks relating to the business of the Guarantor

CPHCL has a long trading history in mixed-use real estate developments that consist principally of hotels, residences, offices and retail areas. The hotel industry globally is characterised by strong and increasing competition. Many of CPHCL's current and potential competitors' operating histories, name recognition, customer bases and financial and other resources are a competitive factor for the Guarantor wherever it may have business. Severe competition in certain countries and changes in economic and market conditions could adversely affect CPHCL's business and operating results.

The Guarantor's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in a mixture of mature and stabilised markets coupled with new and rapidly developing markets.

CPHCL's operations and its results are subject to a number of factors that could adversely affect the Corinthia Group's business, many of which are common to the hotel and real estate industry and beyond the Corinthia Group's control.

3 PERSONS RESPONSIBLE

This Registration Document includes information prepared in compliance with the Listing Rules of the Listing Authority for the purpose of providing Bondholders with information with regard to the Issuer and Guarantor. Each and all of the Directors whose names appear in sub-section 4.1 of this Registration Document accept responsibility for all the information contained in the Prospectus.

To the best of the knowledge and belief of the directors of the Issuer and Guarantor, who have taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of the Issuer and of the Guarantor hereby accept responsibility accordingly.

4 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISERS AND AUDITORS OF THE ISSUER AND GUARANTOR

4.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors is constituted by the following persons:

Alfred Pisani	Executive Director and Chairman
Samuel D. Sidiqi	Non-executive Director and Deputy Chairman
Joseph Pisani	Non-executive Director
Faisal J.S. Alessa	Non-executive Director
Joseph Fenech	Executive Director
Mario P. Galea	Independent, non-executive Director
Bassem Bitar	Independent, non-executive Director

Mr Alfred Pisani and Mr Joseph Fenech occupy senior executive positions within the Corinthia Group. The other five Directors, Mr Samuel D. Sidiqi, Mr Joseph Pisani, Mr Faisal J.S. Alessa, Mr Mario P. Galea and Mr Bassem Bitar, serve on the Board of the Issuer in a non-executive capacity. Mr Mario P. Galea and Mr Bassem Bitar are considered as independent Directors since they are free of any business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing Mr Galea and Mr Bitar's independence due notice has been taken of sub-section 5.117 of the Listing Rules.

The business address of Mr Alfred Pisani, Mr Joseph Pisani, Mr Joseph Fenech and Mr Mario P. Galea is 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta.

The business address of Mr Samuel D. Sidiqi, Mr Faisal J.S. Alessa and Mr Bassem Bitar is P.O. Box 64585, Shuwaikh, B 70456, Kuwait.

The Company Secretary of the Issuer is Mr Stephen Bajada.

The following are the respective *curriculum vitae* of the Directors:

Name: **Alfred Pisani;** Executive Director and Chairman

Alfred Pisani is the founder of the Corinthia Group and has been the Chairman and Chief Executive Officer since the inception of Corinthia in 1962. He was responsible for the construction of the Corinthia Group's first hotel, the Corinthia Palace Hotel in Attard. He has led the Corinthia Group from a one hotel company to a diversified group having significant interests, both locally and internationally. Mr Pisani is also the Chairman of IHI.

Name: **Samuel D. Sidiqi;** Non-executive Director and Deputy Chairman

Samuel D. Sidiqi is the Chief Executive Officer of NREC where he looks after a portfolio of real estate assets and developments across the Middle East. Before joining NREC he spent seven years with Agility Logistics and, before that, he worked with Bain & Company where he advised a number of Fortune 500 companies on strategy. Mr Sidiqi graduated from Massachusetts Institute of Technology and received his MBA from the Wharton School of Business of the University of Pennsylvania.

Name: **Joseph Pisani;** Non-executive Director

Joseph Pisani, besides being a founder director of CPHCL as from 1966, is also a director of IHI with effect from 22 December 2014, as well as acting as a director on a number of boards of other subsidiary companies of the Corinthia Group. Since 2000 he has served as Chairman of the Monitoring Committee of CPHCL and IHI. He was educated at St Edward's College and the University of Malta. He has ever since been intimately involved in the growth and evolution of the Corinthia Group.

Name: **Faisal J.S. Alessa;** Non-executive Director

Faisal J.S. Alessa currently holds the position of Chairman of Kuwait based NREC. Before becoming Chairman, Mr Alessa served NREC by leading its business development function and as a board member, Chairman and Managing Director of various subsidiary organisations. Prior to joining NREC, he was the chairman of United Capital Group, a company registered in Kuwait with over USD 700 million in assets under management. Mr Alessa is a graduate of Barry University in Miami, Florida, USA. Besides holding office as a non-executive Director of the Issuer, Mr Alessa also serves as a member of the board of directors of Kuwait Agricultural Company and Kuwait Agro for General Trading and Contracting.

Name: **Joseph Fenech;** Executive Director

Joseph Fenech is a Fellow of the Association of Chartered Certified Accountants of the United Kingdom and a Fellow of the Malta Institute of Accountants. Mr Fenech joined the Corinthia Group in 1980 after having spent a number of years as senior auditor with a local auditing firm. His first appointment was as Group Accountant responsible for all financial and accounting matters of the Corinthia Group operations. Mr Fenech is the Joint Chief Executive Officer of IHI.

Name: **Mario P. Galea;** Independent, non-executive Director

Mario P. Galea was the founder, managing partner and chairman of Ernst & Young Malta until he retired in 2012. Currently he serves on a number of boards of directors, finance committees and audit committees in various companies. Mr Galea is a certified public accountant and auditor, a Fellow of the Association of Chartered Certified Accountants and a Fellow of the Malta Institute of Accountants. He has served as President of the Malta Institute of Accountants and held various other positions in the Institute, Federation des Comptables Européens (FEE) and the Accountancy Board, which is the regulator of the accountancy profession in Malta. Mr Galea is the independent non-executive Director competent in accounting and auditing matters and acts as the Chairman of the Audit Committee of the Issuer.

Name: **Bassem Bitar;** Independent, non-executive Director

Bassem Bitar is Vice President responsible for strategy at NREC, a Kuwaiti publicly listed real estate and investment company with a presence in the Middle East and North Africa. Prior to joining NREC, Mr Bitar occupied various senior positions with publicly listed real estate companies in Kuwait.

4.2 Directors of the Guarantor

As at the date of this Registration Document, the board of directors of CPHCL is constituted by the following persons:

Alfred Pisani	Executive director and Chairman
Abuagila Almahdi	Non-executive director
Joseph Pisani	Executive director
Sharafeddin Salem Abdullah Banghazi	Non-executive director
Victor Pisani	Executive director
Mustafa Ali Ahmed Ghnedi	Non-executive director

The business address of the directors of the Guarantor is 22, Europa Centre, Floriana FRN 1400, Malta.

The Company Secretary of the Guarantor is Mr Alfred Fabri.

The following are the respective *curriculum vitae* of the directors of the Guarantor:

Name: **Alfred Pisani;** Executive director and Chairman

The *curriculum vitae* of Mr Alfred Pisani is set out in sub-section 4.1 above.

Name: **Abuagila Almahdi;** Non-executive director

Abuagila Almahdi is a director of CPHCL and has been appointed as non-executive director of IHI with effect from 16 October 2014. Mr Almahdi joined LFICO in 1999 and has served as Deputy Managing Director until he was appointed Vice Chairman of CPHCL in February 2014. He is also Chairman of Medelec Switchgear Limited. Mr Almahdi holds a Bachelor of Accounting degree from Tripoli University, a postgraduate diploma in accounting from the Academy of Graduate Economic Studies Tripoli and a Master in Finance, Accounting and Management from Bradford University School of Management.

Name: **Joseph Pisani;** Executive director

The *curriculum vitae* of Mr Joseph Pisani is set out in sub-section 4.1 above.

Name: **Sharafeddin Salem Abdullah Banghazi;** Non-executive director

Sharafeddin Banghazi joined LFICO in 1996 and currently serves as its director of planning and research. He is also a board member of the Libyan Foreign Investment Board for the Ministry of Economy, Trade and Investments, Tripoli. Mr Banghazi holds a degree in engineering from the University of Glasgow, a masters degree in Marine Technology from the University of Newcastle and a MBA in Business Administration from the University of Newcastle.

Name: **Victor Pisani;** Executive director

Victor Pisani is a founder director and member of the main board of CPHCL since 1966 and is a director on a number of its subsidiaries within the Corinthia Group. He was formerly a board member and Chairman of Pisani Flour Mills Limited (C 3949).

Name: **Mustafa Ali Ahmed Ghnedi;** Non-executive director

Mustafa Ghnedi is a director of CPHCL. Mr Ghnedi joined LFICO in 1991 and currently serves as its Chairman of the board of directors of LFICO Algeria and its head of legal in Tripoli. He holds a law degree from Tripoli University and read English at University College, Dublin.

4.3 Senior Management of the Issuer

As at the date of the Prospectus the Issuer does not have any employees of its own and is reliant on the resources which are made available to it by the Guarantor pursuant to the MSS Agreement detailed in sub-section 5.1.3 of this Registration Document, including, in particular, the services of Mr Reuben Xuereb, who is the Chief Executive Officer of MIH, Ms Rachel Stilon, who is the Chief Financial Officer of MIH, and Mr Stephen Bajada who acts as the Company Secretary of MIH.

The following are the respective *curriculum vitae* of the key members of the Group's Executive Team:

Name: **Reuben Xuereb;** Chief Executive Officer of MIH

Reuben Xuereb joined the Corinthia Group in January 2005 in a senior executive role and has since been heading the real estate investments and operations in Libya. Having worked in the Middle East with one of the largest finance houses and investment groups based in Bahrain, he has specialised in real estate investment structures and is responsible for corporate strategy and business development of MIH. Prior to that, Mr Xuereb was the Chief Financial Officer of FIMBank - an international trade finance bank headquartered in Malta for six years. Mr Xuereb is also the CEO of MTJSC, Chairman and CEO of PCL, and Executive Chairman of QPM Limited (C 26148).

Name: **Rachel Stilon;** Chief Financial Officer of MIH

Rachel Stilon graduated with a B.A. (Hons) Accountancy from the University of Malta in 1996. She worked for Price Waterhouse before joining the internal audit department of Corinthia Group in 1998. In 2000 she moved into corporate finance as financial controller of CPHCL. Since then she has held various corporate finance related positions, including financial controller of Corinthia Finance plc. Ms Stilon holds a Certified Public Accountant and Auditor warrant, is a member of the Malta Institute of Accountants and serves as a director on the board of Federated Mills plc.

Name: **Stephen Bajada;** Company Secretary of MIH

Stephen Bajada joined the Corinthia Group in 1998 after having spent a number of years as senior manager with the National Tourism Organisation Malta, responsible for research and development. Since joining the Corinthia Group he has occupied a number of senior positions ranging from administration, overall responsibility of the insurance requirements of the Corinthia Group, as well as company secretary for a number of Corinthia Group companies ranging from hospitality management, catering, events and project management in various jurisdictions. Mr Bajada has served as Company Secretary to MIH, PCL and PWL since 2012. He is a graduate in business management from the University of Malta.

4.4 Advisers to the Issuer and Guarantor

Legal Counsel
Name: GVZH Advocates
Address: 192, Old Bakery Street, Valletta VLT 1455, Malta

Sponsoring Stockbroker
Name: Rizzo, Farrugia & Co. (Stockbrokers) Ltd.
Address: Airways House, Third Floor, High Street, Sliema SLM 1549, Malta

Registrar & Manager
Name: Bank of Valletta plc
Address: BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta

As at the date of the Prospectus the advisers named under this sub-heading have no beneficial interest in the share capital of the Issuer or the Guarantor. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of the Prospectus, no material transactions have been entered into by the Issuer or the Guarantor with any of the advisers referred to above.

The organisations listed above have advised and assisted the directors of the Issuer and the Guarantor in the drafting and compilation of the Prospectus.

4.5 Issuer's auditors

Name: Grant Thornton
Address: Tower Business Centre, Suite 3, Tower Street, Swatar BKR 4013, Malta

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2014, 2015 and 2016 have been audited by Grant Thornton. Grant Thornton is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

4.6 Guarantor's auditors

Name: Grant Thornton
Address: Tower Business Centre, Suite 3, Tower Street, Swatar BKR 4013, Malta

Name: PricewaterhouseCoopers
Address: 78, Mill Street, Qormi QRM 3101, Malta

The annual statutory consolidated financial statements of the Guarantor for the financial year ended 31 December 2014 have been audited by Grant Thornton, whilst the annual statutory consolidated financial statements for the financial years ended 31 December 2015 and 2016 have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act 1979 (Chapter 281 of the laws of Malta).

5 INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

5.1 Historical development of the Issuer

5.1.1 Introduction

Full legal and commercial name of the Issuer:	**Mediterranean Investments Holding plc**
Registered address:	**22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta**
Place of registration and domicile:	**Malta**
Registration number:	**C 37513**
Date of registration:	**12 December 2005**
Legal form	**The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act**
Telephone number:	**+356 21 233 141**
Fax number:	**+356 21 234 219**
E-mail address:	**info@mihplc.com**
Website:	**www.mihplc.com**

The principal object of the Issuer, which objects are limited to activities outside Malta and to such other activities as are or may be necessary for its operations from Malta, is to directly or indirectly acquire, develop and operate real estate opportunities in North Africa, including, without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, residential gated compounds, housing, hotels, build-operate-transfer (BOT) agreements and other governmental projects and conference centres. The issue of bonds falls within the objects of the Issuer.

The Issuer was set up on 12 December 2005 as a private limited liability company and was subsequently converted into a public limited liability company on 6 November 2007. Today, following a share capital increase effected in 2006, MIH has an authorised share capital of €100,000,000 divided into 50,000,000 ordinary 'A' shares of a nominal value of €1 each and 50,000,000 ordinary 'B' shares of a nominal value of €1 each. The issued share capital of MIH is €48,002,000 divided into 24,001,000 ordinary 'A' shares of €1 each and 24,001,000 ordinary 'B' shares of €1 each, all of which have been fully paid. Each of CPHCL and NREC (directly or indirectly) hold 50% of the Issuer's share capital. Of the 50% share owned by NREC, 10% is held by its subsidiary LPTACC, a fully owned subsidiary of NPHC which, in turn, is 98% owned by NREC. In terms of the Memorandum and Articles of Association of the Issuer, CPHCL, as the holder of ordinary 'A' shares, has the right to appoint three Directors to the Board and NREC and LPTACC, as the holders of ordinary 'B' shares, jointly have the right to appoint three Directors to the Board, with the seventh Director jointly appointed by CPHCL, NREC and LPTACC. Further details concerning the manner in which the shares in MIH are subscribed to are set out in sub-section 8.1 of this Registration Document.

Since incorporation MIH issued eight bonds, five of which are currently listed and traded on the Malta Stock Exchange.

In November 2007, pursuant to a prospectus dated 7 November 2007, MIH issued LM6,439,500 (equivalent to €15,000,000) 7.5% bonds redeemable at par between 2012 and 2014. These bonds, which matured on 4 December 2014, were repaid in full upon maturity.

In July 2008, MIH issued to the public in Malta €15,000,000 7.5% bonds due in 2015 having a nominal value of €100 each and issued at par, subject to an over-allotment option of an additional €5,000,000 bonds on the same terms. The said issue of bonds was regulated by the prospectus dated 15 July 2008 and in virtue thereof the maturity date of the bonds in question fell due on 4 August 2015. This bond was repaid with the proceeds raised from another bond issued by MIH in July 2015 (as detailed below in this sub-section).

In June 2010, MIH issued an aggregate of €40,000,000 7.15% bonds redeemable at par between 2015 and 2017 which were distributed as follows upon issue: €28,767,200 in EUR denominated bonds, £4,385,900 in GBP denominated bonds and $7,216,500 in USD denominated bonds. The said issue of bonds was regulated by the prospectus dated 14 June 2010. The said bonds, unless previously purchased and cancelled, are due to be redeemed by MIH on 23 July 2017, subject to MIH's option, exercisable at its discretion, to redeem all or any part of the bonds in the said bond issue on the dates falling between and including 23 July 2015 and 22 July

2017. Interest on the bonds is payable annually in arrears on 23 July of each year between and including each of the years 2011 and 2017. As at the date of this Registration Document the following respective amounts under this June 2010 bond are outstanding - €28,519,400, £4,351,100 and $7,120,300 - and it is the Issuer's intention to repay said outstanding amounts with the proceeds raised from this Bond Issue as set out in sub-section 5.1 of the Securities Note.

In June 2014, MIH issued a further €12,000,000 6% bonds due 2021 having a nominal value of €100 each and issued at par pursuant to a prospectus dated 2 June 2014. The maturity date of the bonds in question falls due on 22 June 2021 and interest on the bonds is payable annually in arrears on 22 June of each year between and including each of the years 2015 and 2021. The net proceeds from said June 2014 bond issue were used by MIH to part finance the redemption of the outstanding amount of €14,757,659 7.5% bonds which had been previously issued by MIH in November 2007. As at the date of this Registration Document the amount of €12,000,000 of the said June 2014 bond remains outstanding.

In July 2015, MIH issued a further €20,000,000 5.5% unsecured bonds due 2020 having a nominal value of €100 each and issued at par pursuant to a prospectus dated 1 July 2015. The maturity date of the bonds in question falls due on 31 July 2020 and interest on the bonds is payable annually in arrears on 31 July of each year between and including each of the years 2016 and 2020. The net proceeds from said July 2015 bond issue were used by MIH to part finance the redemption of the outstanding amount of €19,649,600 7.5% bonds 2015 which had been previously issued by MIH in July 2008. As at the date of this Registration Document the amount of €20,000,000 of the said July 2015 bond remains outstanding.

Finally, in September 2015, MIH issued a further €11,000,000 6% unsecured and unlisted notes due 2020 having a nominal value of €1,000 each and issued at par pursuant to a prospectus dated 18 September 2015. The maturity date of the notes in question falls due on 3 October 2020 and interest on the notes is payable annually in arrears on 3 October of each year between and including each of the years 2016 and 2020. As at the date of this Registration Document the amount of €11,000,000 of the said September 2015 issue remains outstanding.

5.1.2 Overview of the Group's business

Palm City Residences

Since incorporation, the Issuer has been primarily involved, through PCL, in the development and operation of the Palm City Residences. This oceanfront gated complex, located in Janzour, Libya, consists of 413 residential units, ranging from one-bedroom apartments to four-bedroom fully detached villas with private pools, constructed on a plot of land measuring 171,000m^2 and enjoying a 1.3km shorefront (including beach area). The village-type complex offers a host of amenities and leisure facilities that include a piazza, supermarket, a variety of retail shops, a laundry, a health clinic, and a number of catering outlets and cafes. The development also features numerous indoor and outdoor sports facilities, including a fully equipped gym, squash court, tennis courts, an indoor pool, water sports facilities and an outdoor swimming pool.

By virtue of an agreement dated 5 July 2006, CPHCL holds legal title under Libyan law to the land on which the Palm City Residences are built. Such agreement is for a term of 99 years. With effect from 6 July 2006 PCL entered into a build-operate-transfer agreement with CPHCL, whereby CPHCL engaged PCL to complete the construction of the Palm City Residences and to operate the said complex thereafter for a 65-year term. Upon the expiry of this 65 year term, PCL is bound to transfer the operation back to CPHCL. The Group is in the process of registering a joint stock company in Libya, to be owned as to 90% of its share capital by PCL (CPHCL and NREC to hold the remaining 10% in equal proportions between them). Subject to approval by the competent authority in Libya, the Libyan Investment Board, title to the land underlying the Palm City Residences will be transferred by CPHCL to such company. Upon such title transfer taking effect, the BOT agreement between PCL and CPHCL will be terminated, resulting in PCL no longer being bound to return the operation of the Palm City Residences to CPHCL upon the lapse of the said 65 year term. This registration process has been on hold since 2015 pending the current unrest in the country.

The Palm City Residences project was completed in late 2009 and by 2010 all the residences were operational. At the time, the Issuer's principal objectives remained focused on the management and operations of Palm City Residences through its subsidiary PCL and on securing medium to long-term lease contracts with a view to achieving a stabilised occupancy rate of 95% by mid-2011. Significant progress had been registered throughout the course of 2010 and the first two months of 2011 as Palm City Residences continued to secure lease contracts and increase its occupancy. Towards the end of February 2011, however, due to the civil unrest in Benghazi and other parts of Libya, and the resulting mass evacuation of expatriate personnel from the country, the majority of lease contracts were either cancelled or suspended on a force majeure basis, and the Group's focus shifted to safeguarding and protecting its personnel, the property and the personal belongings of its remaining tenants.

Whilst the unrest in Libya had largely subsided in 2012, 2013 and the first six months of 2014, fresh outbreaks of conflict erupted again in July 2014 and continued to escalate over the second half of 2014 culminating in a highly unstable political setting featuring two groups claiming legitimacy to govern the country in consequence of which all foreign nationals have been directed to evacuate the country by their respective countries. The period during the conflict and its aftermath were characterised by political and economic instability and a curtailment of business activity. As a consequence of the geopolitical uncertainty in the region and the resulting impact on operations and cash flow during most of 2011 carrying through to the early part of 2012, the shareholders of MIH were called upon to support the Group's cash flow requirements by extending a €13.2 million shareholders' loan. This was necessary principally for the Issuer to meet its bond interest costs under existing bonds and for PCL to meet its commitments with capital creditors. Furthermore, and in order to alleviate the cash flow pressures on the Group in this delicate period, the terms of the then existing bank loan facilities were successfully renegotiated and increased to a longer term for repayment. Both these measures allowed the Group to adequately safeguard its investment during the 2011 revolution, ensuring it was able to pursue high levels of occupancy and improved rates throughout 2012 (91%), 2013 (94%) and in the first half of 2014 (95%). The shareholders' loans continue to demonstrate the shareholders' unrelenting commitment to support the Group as and when needed.

During 2012 and more so in 2013, Palm City generated the highest levels of revenue since its opening. With occupancy levels soaring at 91%, total revenue for the 12 months ending December 2012 was recorded at €27.1 million and operating profit a record high of €22.7 million. The financial performance of Palm City continued to progress positively with 2013 setting the highest record both in terms of occupancy, revenue and profitability. Total revenue for the 12 months to December 2013 amounted to €30.2 million on the back of a 94% occupancy with operating profit amounting to €23.5 million.

Whilst instability kicked in again in 2014, Palm City recorded another strong 12 months with revenue reaching €29.4 million, and operating profit amounting to €23 million. In 2015 the instability that persisted implied that a number of tenants were forced to leave due to the deteriorating situation in the country. The instability on the ground continued throughout 2015 and much of 2016 and as a result of this, occupancy between August 2014 and December 2015 declined to 33.6 % and continued to decline further to a low of 8% in 2016.

Interest in Palm City started to trickle back in towards the end of 2016. A number of visits and enquiries have been received from a number of companies, embassies and NGO's. Following a few months of scouting and evaluation, interest has started to be converted into leases. To date, a number of leases have been signed by embassies, NGO's, international security service providers and others with occupancy increasing from 8% to 16% and, given recent contractual discussions, this is due to increase to 18% by July 2017. Beyond the occupancy, another important development is the rates at which the residential units are being leased. The average leasing rate per unit has increased from €5,500 per month to €8,500 per month meaning that total revenue at occupancy levels of 14% is higher than the proportionate revenue for the same occupancy in 2013.

Medina Tower

In 2010, MTJSC was set up for the purpose of owning and developing the Medina Tower. The shareholders of MTJSC are MIH, IHI, AUCC and AHCT, having a shareholding of 25% each (the latter two companies were formerly known as Economic Development and Real Estate Investment Company [EDREICO]). The parcel of land over which this project will be developed measures circa 11,000m^2 and is situated in Tripoli's main high street. The architectural concept stems from a 4-storey podium that will include a mix of residential, retail, commercial and conference space. A curved tower rises from the sixth level and peaks at the fortieth level, where a double height restaurant will complete the property. The development will comprise a total gross floor area of circa 199,000m^2.

The project designs of the Medina Tower are complete and all development approvals have been obtained from the relevant authorities. As to the financing of the project, the equity contribution for the first phase of this project is already fully paid up and will comprise 40% of the capital requirements for the said project. The remaining 60% of funding will be derived from a Libyan financial institution in terms of a sanction letter that has been approved and signed, but now needs to be reactivated. The project is on hold until Libya stabilises and its prospects improve.

Palm Waterfront

PWL is a wholly-owned subsidiary of MIH and will be primarily engaged in the development and operation of the Palm Waterfront site which is located in Shuhada Sidi Abuljalil, Janzour, Libya adjacent to the Palm City Residences pursuant to a Build-Operate-Transfer Agreement entered into with CPHCL in December 2013. The arrangement gives PWL the right to develop the Palm Waterfront site. Furthermore, PWL is entitled to manage and operate the Palm Waterfront for a period of 80 years from 5 December 2013.

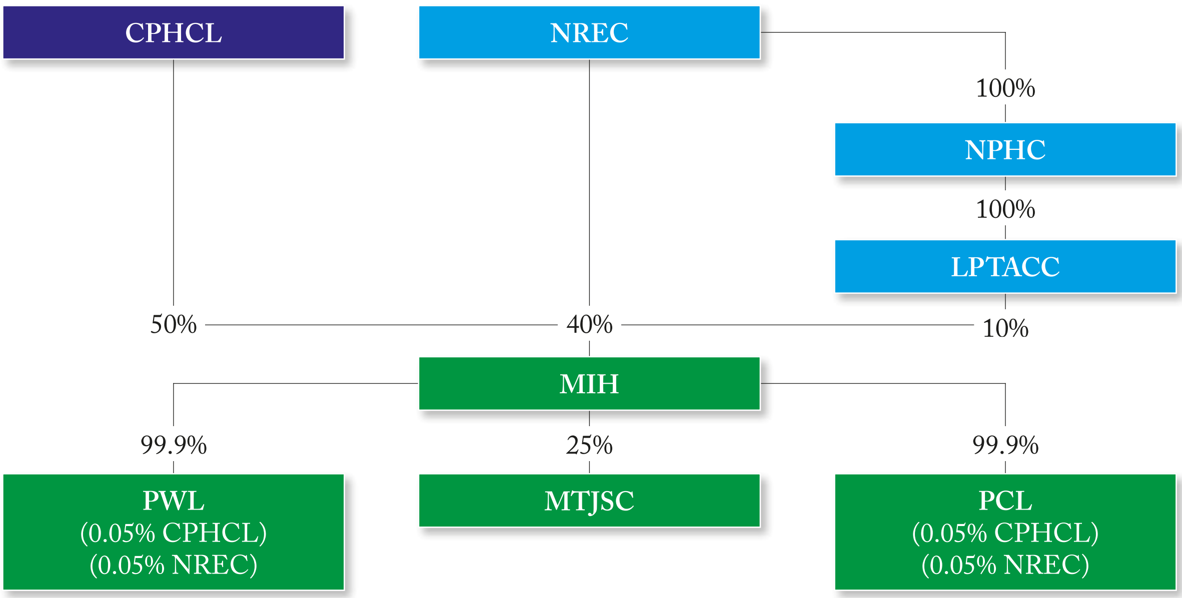
The site has a footprint of circa 40,000m^2 and the planned development shall include a 164 room 4-star hotel, 259 residential units for lease or sale, an entertainment centre comprising six cinemas and a bowling centre, retail outlets and restaurants, a car park and a marina. Apart from the studio and two bedroom apartments, most of the residences at the Palm Waterfront will have spacious layouts. The average size of an apartment will be circa 250m^2 and the larger units are planned to measure approximately 450m^2 of indoor space together with large outdoor terraces.

This project has been temporarily placed on hold in view of the prevailing situation in Libya.

5.1.3 *Organisational structure*

The Issuer is the parent company of the Group and, accordingly, is ultimately dependent upon the operations and performance of its subsidiaries and other investments.

The organisational structure of the Group is illustrated in the diagram below as at the date of the Prospectus:



MIH

The principal activity of the Issuer is to directly or indirectly acquire, develop and operate real estate projects in Libya and invest in any related trade or business venture. The Issuer is party to a management and support services agreement (the "**MSS Agreement**") with CPHCL in connection with the provision of management services at the strategic level of the Issuer's business, enabling the Issuer to benefit from the experience and expertise of CPHCL in the operation of its business and the implementation of a highly efficient and cost-effective construction programme which is expected to be reflected in a substantial increase in the market value of the Group's real estate properties.

The MSS Agreement also ensures that at the top executive and central administrative level, the Issuer has continued and guaranteed access to the top executive staff and support personnel of the Corinthia Group. The agreement has a term of two years expiring on 31 December 2017 but allows for an extension of the term upon agreement to that effect being reached between the parties thereto. Three (3) months prior to the expiry of the said term, the shareholders of the Issuer intend to consider an extension of this MSS Agreement on the same terms for an additional term of two years. In terms of the current agreement, in consideration for the support services afforded by CPHCL, the Issuer shall pay CPHCL a fixed annual fee of €330,750 adjusted for inflation at 5.0% per annum. The Directors believe that this is a reasonable charge to the Issuer, particularly in light of the benefits enjoyed by the Issuer pursuant to the MSS Agreement, which include:

- the commitment of an executive team with over 40 years' experience of successfully operating in Libya;
- an experienced, motivated, proven and loyal local and foreign senior management team of international calibre with an average of over 15 years' service;
- a team of well-qualified and dynamic young professionals, fuelling the potential for future growth;
- an effective monitoring system assuring controls on standards and performance;
- a long experience in developing and managing properties planned and built to exacting standards with equally high standards demanded on maintenance, resulting in high quality, well-maintained assets; and
- corporate strength through a long-term policy of diversification into construction, project management and other service ventures.

PCL

Palm City Ltd is a private limited liability company incorporated and registered in Malta on 10 June 2004. It has an authorised share capital of €250,000,000 and an issued share capital of €140,500,000 divided into 140,500,000 ordinary shares of €1 each, fully paid up. PCL is a wholly-owned subsidiary of the Issuer. Pursuant to a build-operate-transfer agreement dated 6 July 2006 entered into by and between CPHCL and PCL, CPHCL engaged PCL to finalise the construction of Palm City Residences and operate the complex for a period of 65 years. Palm City Residences was completed at a cost of circa €160 million and commenced full operations in 2010.

MTJSC

By virtue of a Memorandum of Incorporation dated 20 May 2010 and registered under law no. 343 at the investment register in Tripoli, Libya on 7 August 2010, the Issuer subscribed to a 25% equity participation in a joint venture company, Medina Tower Joint Stock Company for Real Estate Investment and Development. This joint venture was set up together by IHI and EDREICO (the latter now AHCT and AUCC, two Libyan investment companies). MIH, IHI, AHCT and AUCC hold a 25% equity participation respectively. MTJSC was set up to construct the Medina Tower.

PWL

Palm Waterfront Ltd is a private limited liability company incorporated and registered in Malta on 3 August 2012. It has an authorised share capital of €100,000,000 and an issued share capital of €2,000 divided into 2,000 ordinary shares of €1 each, fully paid up. PWL is a wholly-owned subsidiary of the Issuer. On 5 December 2013, the company entered into a build-operate-transfer agreement with CPHCL which gives PWL the right to develop a site adjoining Palm City Residences on the West, located in Shuhada Sidi Abuljalil, Janzour in Libya. It also gives it the right to construct, implement, manage and operate the project to be developed on said site at its discretion. The term of the build-operate-transfer agreement is for a period of 80 years from signing date of the said agreement.

5.2 Historical development of the Guarantor

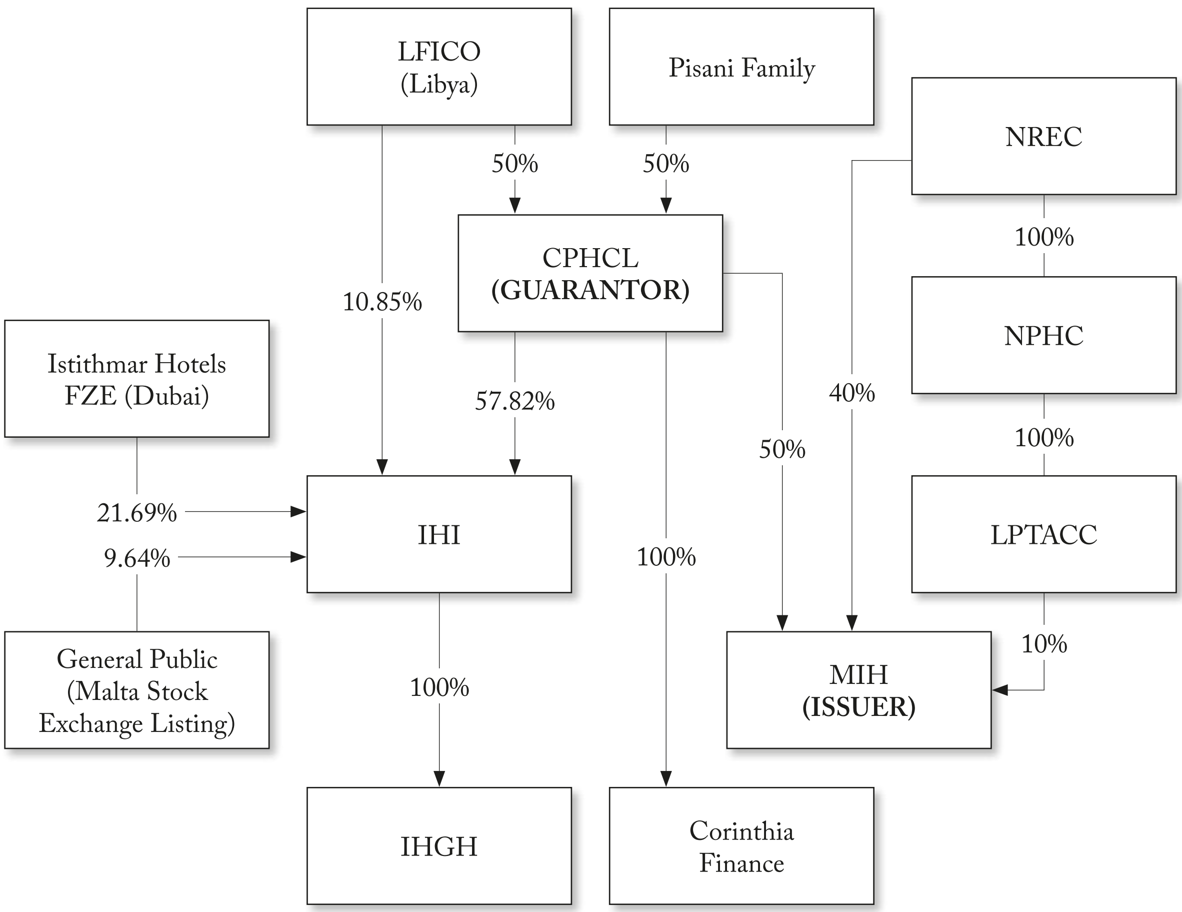
5.2.1 Introduction

Full legal and commercial name of the Guarantor:	Corinthia Palace Hotel Company Limited
Registered address:	22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta
Place of registration and domicile:	Malta
Registration number:	C 257
Date of registration:	21 June 1966
Legal form	The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act
Telephone number:	+356 21 233 141
Fax number:	+356 21 234 219
E-mail address:	corinthia@corinthiacorporate.com
Website:	www.corinthiacorporate.com

5.2.2 Overview of the Corinthia Group's business

The Guarantor is the parent company of the Corinthia Group and is principally engaged, directly or through subsidiaries and/or associated entities, in investments that are predominantly focused on the ownership, development and operation of mixed-use real estate developments that consist mainly of hotels, residences, offices, retail and commercial areas, as well as industrial and event catering, in various countries.

As the holding company of the Corinthia Group, the Guarantor is ultimately dependent upon the operations and performance of its subsidiaries and associated entities. The diagram below illustrates the principal subsidiaries and associates within the organisational structure of the Corinthia Group as at the date of this Registration Document:



The following table provides a list of the operations and the principal assets owned by the respective Corinthia Group companies as at the date of this Registration Document:

Principal assets and operations

Name	Location	Description	% ownership
Corinthia Palace Hotel Company Limited			
Panorama Hotel Prague	Czech Republic	Property owner	100
Aquincum Hotel Budapest	Hungary	Property owner	100
Corinthia Palace Hotel & Spa	Malta	Property owner	100
Ramada Plaza	Tunisia	Property owner	100
Catermax	Malta	Event catering	100
International Hotel Investments plc			
Corinthia Hotel Budapest	Hungary	Property owner	100
Corinthia Hotel St. Petersburg	Russia	Property owner	100
Corinthia Hotel Lisbon	Portugal	Property owner	100
Corinthia Hotel Prague	Czech Republic	Property owner	100
Corinthia Hotel Tripoli	Libya	Property owner	100
Corinthia Hotel St George's Bay	Malta	Property owner	100
Marina Hotel St George's	Malta	Property owner	100
Corinthia Hotel & Residences London	United Kingdom	Property owner	50*
Corinthia Hotel Brussels	Belgium	Property owner (under development)	50*
CHI Limited	Malta	Hotel management	100
QPM Limited	Malta	Project management	100
Medina Tower	Libya	Mixed-use property (to be developed)	25
Island Hotels Group Holdings plc			
Radisson Blu Resort St Julians	Malta	Property owner	100
Radisson Blu Resort & Spa Golden Sands	Malta	Property owner	50
Azure Group	Malta	Vacation ownership operation	50
Island Caterers	Malta	Event catering	100
Ħal Ferħ Complex	Malta	Vacant site (to be developed)	100
Costa Coffee	Malta/Spain	Retail catering	100
Mediterranean Investments Holdings plc			
Palm City Residences	Libya	Gated residence complex	100
Medina Tower	Libya	Mixed-use property (to be developed)	25

* under control and management of IHI

IHI, a company listed on the Malta Stock Exchange, is principally engaged in the ownership, development and operation of hotels and ancillary real estate in Europe and North Africa.

To date, IHI has acquired and/or developed hotels in Prague (Czech Republic), Tripoli (Libya), Lisbon (Portugal), Budapest (Hungary), St Petersburg (Russia) and St Julians (Malta). IHI also has a 50% shareholding in a 294 roomed luxury hotel in London (UK) (which it manages and controls) and a penthouse apartment which is currently let to a third party.

Revenue and earnings are derived primarily from the operation of owned hotels. A secondary source of income and earnings is generated through rental income of residential and commercial premises, particularly in St Petersburg, Tripoli and Budapest. Additional revenue streams include fees earned by CHI Limited, a wholly-owned subsidiary of IHI, from hotels owned by IHI itself or managed pursuant to management contracts with

CPHCL and other third parties. As at the date of this Registration Document CHI Limited managed eight hotels on behalf of IHI (of which one is fifty per cent owned by IHI) and another five hotels on behalf of CPHCL and another three hotels on behalf of third party owners.

On 10 August 2015, IHI acquired 100% of the issued share capital of IHGH. The business of IHGH largely relates to: the ownership, management and operation of five-star hotels in Malta (namely, the Radisson Blu Resort St Julians and a 50% ownership in the Radisson Blu Resort & Spa, Golden Sands); the operating of a vacation ownership marketing business for the aforesaid hotel; the operation of retail and event catering business (Island Caterers Limited); and the development and operation of Costa Coffee outlets in Malta, the East Coast of Spain, Canary Islands and the Balearic Islands. IHGH also owns a plot of land measuring 83,000m^2 located next to the Radisson Blu Resort & Spa, Golden Sands, Malta. The property is earmarked for the development of a luxury tourist complex.

5.2.3 *Investments*

The most recent principal investments of the Corinthia Group are described hereunder:

(a) Island Hotels Group Holdings plc

In the latter half of 2015, IHI acquired the assets, liabilities and operations of IHGH. In consideration for the acquisition of 38,583,660 shares in IHGH, IHI effected an aggregate cash settlement of €21.4 million and issued 2,687,960 ordinary IHI shares of €1 each as a first tranche consideration. A further payment of €17.3 million and the issuance of 6,507,168 IHI shares were made on 10 August 2016.

(b) St George's Bay Development

Following the IHGH acquisition in 2015, IHI initiated the design process to consolidate the three hotel properties situated in St George's Bay, St Julians, Malta (namely, the Radisson Blue Resort St Julians, the Corinthia Hotel St George's Bay and the Marina Hotel), and make way for a mixed-use development that will feature a luxury hotel, attracting high net leisure and corporate guests, as well as high-end residential, office, retail and commercial facilities targeting a six-star market. Subject to receiving the necessary regulatory planning approvals and having the required funding in place, this project will be spread out over a number of years to minimise interruption to hotel operations.

(c) Costa Coffee

In May 2012, The Coffee Company Malta Limited (at the time an associate company of IHGH, at the date of this Registration Document a fully-owned subsidiary of IHGH) signed a 10-year franchise agreement with Costa Coffee International Limited for the development of Costa Coffee retail outlets in Malta. The first Costa Coffee outlet was opened in June 2012 at the check-in lounge of the Malta International Airport. Since then, another 9 Costa Coffee outlets were opened (3 outlets at the Malta International Airport, one in the arrivals area, another in the Schengen area and the third one in the non-Schengen area and 1 outlet in each of The Point Shopping Complex Sliema, the premises formerly known as Papillon in Balzan, The Embassy Valletta, Bay Street Complex St Julian's, Marsaxlokk and a final outlet in St. Julian's opposite the 'Love' Monument). The company plans to open a further three outlets in Malta over the coming years.

Encouraged by the success achieved in Malta, in March 2014, The Coffee Company Spain S.L. (at the time an associate company of IHGH, at the date of this Registration Document a fully-owned subsidiary of IHGH) signed a franchise agreement with Costa Coffee International Limited for the development and operation of up to 75 Costa Coffee outlets in the East Coast of Spain, the Balearic and Canary Islands. The first outlet in Spain opened in the third quarter of 2014 and the company has, to date, opened a total of 15 outlets. Nine of these outlets are located in Barcelona with the other six located in Valencia (2), Palma (2) and Benidorm (2). A sixteenth outlet will be opening in June 2017 bringing the number of stores in Barcelona to 10. The company is currently consolidating its position on the Spanish market and once results achieve the required levels of performance further outlets will be opened across the region.

(d) **Corinthia Hotel St Petersburg**

A renovation programme for the Corinthia Hotel St Petersburg, estimated at €23.5 million, is underway. This project comprises the refurbishment of the rooms of the original Hotel and the development of an area measuring circa 1,500m^2 situated behind the Hotel and which will consist of the creation of a car park and further office space.

(e) **Corinthia Hotel Lisbon**

A renovation programme is underway at the Corinthia Hotel Lisbon, estimated at a cost of €10 million. The refurbishment started in November 2016 and will take 30 months to complete. The programme comprises the complete refurbishment of all room stock at the hotel in order to upgrade the product, including increasing the size and configuration of the rooms. The refurbishment will be carried out in phases sealing off two to three floors at a time without causing any disturbance to the on-going operation of the hotel which continues to operate normally. Works on the first two floors have already been completed and the finished product has been received well by the market. The programme of works is on schedule.

(f) **Ħal Ferħ Project**

As part of the IHGH acquisition, IHI, through a wholly owned subsidiary of IHGH, took ownership of the 85,000m^2 plot of land at Hal Ferh, situated adjacent to the Radisson Blu Resort & Spa, Golden Sands, Malta. IHI is currently in the process of assessing the project designs and concept and funding requirements, prior to embarking on the execution of this project.

(g) **Benghazi Project**

IHI has a 55% equity participation in Libya Hotel Development and Investment JSC, a company set up in Libya to acquire a derelict building formerly known as the El-Jazeera Hotel and adjoining site in Benghazi, Libya. Libya Hotel Development and Investment JSC will eventually develop a mixed-use project consisting of a 228-room five-star hotel, 2,000m^2 of retail space and 10,000m^2 of office space. Whilst the necessary planning permits for the project were issued by the Benghazi planning authorities and demolition works commenced in January 2014, in light of the prevailing situation in Libya all works on this development have been put on hold, and current plans are due for reconsideration depending on future developments in Libya. It is anticipated that the funding required for the project, once resumed, will be sourced from a combination of equity injected by the shareholders and appropriate bank financing.

(h) **Brussels Project**

IHI has a 50% equity participation in the company owning a former hotel building in Brussels, the Grand Hotel Astoria. IHI will handle the redevelopment of the hotel. IHI has reorganized the ground floor flows and uses, as well as reconfigured the bedroom inventory, to ensure that all bedrooms are larger than 30m^2. The hotel will have around 126 bedrooms of which 25% will be junior suites or suites. The hotel has been awarded a building permit to carry out the planned redevelopment. IHI has prepared a capital concept cost estimate for the full refurbishment project, which cost is estimated at €65 million, inclusive of all costs, fees and contingencies. Work is underway to source and secure funding of the €65 million for the refurbishment project. The aim is to progress to construction by early 2018. IHI's aim is to complete the reconstruction and fit out of the hotel by early 2019. QPM are acting as project managers and work is underway to seek quotations from Belgian and international engineers, M&E designers, cost consultants and interior designers.

Save for the above, the Corinthia Group is not party to any other principal investments, and has not entered into or committed for any principal investments subsequent to 31 December 2016, being the date of the latest audited consolidated financial statements of the Guarantor.

5.2.4 Management contracts under the Corinthia Brand

CHI is a full-service management company with in-house skills and capabilities supporting the Corinthia brand and operations. It has a track record of driving performance improvements across the Corinthia Group's existing assets, those of CPHCL and of third parties. It ensures consistent service levels and performance across the properties. CHI is scaled to support future growth of Corinthia. CHI currently manages 19 hotels (10 owned by IHI and 7 owned by third parties and a further 2 under development). In 2016 it signed a technical and pre-opening services and management agreement for the development and eventual management of a Corinthia hotel for a third party owner in Dubai. In 2017 it signed a management agreement for two operational hotels owned by a third party in Dubai on a white label basis. CHI management contracts are entered into and structured for a 20 year period. Its key commercial terms include management fees, marketing and reservation fees and incentive fees. It is an efficient use of capital and resource with no capital outlay required for each new management contract and a cost-effective way to gain in-depth knowledge of various markets.

5.2.5 *Business development strategy*

The Corinthia Group's business strategy focuses on achieving positive and sustainable financial results, and appreciation in the value of the Corinthia Group properties. In the execution of the Corinthia Group's strategy, management aims to provide a high quality service at each hotel and treat customers to a unique hospitality experience. Through the provision of better quality offerings the brand value is further enhanced, and leads management to achieve its objective of improving occupancy levels and average room rates. Moreover, it enables the Corinthia Group to target higher-yielding customers, in particular, from the leisure and conference & event segments.

Electronic booking portals have in recent times gained importance in generating room reservations. In this respect, the Corinthia Group is continuously optimising its website 'Corinthia.com', developing further its online reservation system and investing in online marketing.

From a cost perspective, better results are being achieved through the implementation of cost-control and energy-efficient measures at Corinthia Group hotels.

The Corinthia Group's strategy focuses on the operation of hotels that are principally in the five star category. In this respect, the Corinthia Group has identified a number of assets, including four and three star hotels, which are either earmarked for redevelopment or no longer fit its long term strategy. Such non-core assets will be disposed of at the opportune moment in the near to medium term. As to core assets, ongoing investment in their upkeep is given due importance in order to preserve their attractiveness and incremental value.

In addition to the aforementioned strategy for internal growth, the Corinthia Group aims to grow its business externally by further expanding the portfolio of hotels and mixed-use properties and venturing into other businesses through:

Acquisitions, joint ventures and developments

Management remains active in growing the Corinthia Group's hotel portfolio and mixed-use properties by acquisition, particularly if these entail a potential for capital appreciation. In 2015, the Corinthia Group acquired IHGH which, inter alia, will enable the Corinthia Group to redevelop the three hotels located near St George's Bay, St Julians, Malta into a mixed-use luxury development. This recent acquisition will also allow the Corinthia Group to diversify its revenue streams through the expansion of Costa Coffee outlets principally in Spain. Furthermore, other mixed-use properties described in sub-section 5.2.3 above are earmarked for development in the coming years and which are expected to generate substantial revenues for the Corinthia Group. It is projected that further acquisition opportunities will arise as a result of the extensive network of contacts of the directors and Chief Executives of the Corinthia Group. If available at attractive prices and subject to funding, the Corinthia Group is principally interested to acquire hotels in its target markets, including certain European cities.

On 11 April 2016, IHI acquired a 50% participation interest, along with one of its major shareholders LFICO holding the other 50%, the entire issued share capital of the Belgian hotel-owning company, Hotel Astoria S.A., resulting in the acquisition of the Grand Hotel Astoria in Brussels. The Grand Hotel Astoria was built in 1910 by a Belgian aristocratic family and at the time it was acquired by its last owners in 2007 it was operated as a 145 room hotel. When bought by the hotel's former owners in 2007, it was closed with a view to carrying out an intensive refurbishment. However, such refurbishment failed to get underway and the asset has laid desolate for the last ten years. The hotel, once redeveloped, will be renamed the Corinthia Grand Astoria Hotel. The refurbishment of the Grand Hotel Astoria will add another key destination to the Corinthia brand's growing portfolio.

Management contracts

Where attractive opportunities arise, the Corinthia Group will seek to expand its portfolio of hotels by entering into agreements to manage hotels for third party owners. The strength of the Corinthia brand, its reservation system and online presence, and the quality of its existing operations has already begun to introduce third party owned hotels into the Corinthia brand offering and has placed it in a good position to establish such relationships, as is evident with the new relationships in Dubai and Doha.

6 TREND INFORMATION AND FINANCIAL PERFORMANCE

6.1 Trend information of the Issuer

In 2013 MIH registered its best operational results to date through the robust performance of its subsidiary PCL. Launched in 2009, Palm City Residences weathered the after-effects of the Libyan revolution and in 2013 achieved a record 94% occupancy while the operational expenses were well contained. The profit for the year after tax amounted to €13.8 million.

In 2014 MIH registered significantly strong revenue and equally positive profitability levels notwithstanding the unrest that broke out in July 2014 and the subsequent evacuation of tenants. Nonetheless, the majority of the tenants have maintained the leases during the course of 2014 and invoices issued by Palm City have been settled by the clients. As the instability in Libya in general persisted in 2015 and 2016, the level of tenancies has been on a constant decline. Since the downturn in business arising as a direct consequence of the civil unrest in Libya, as explained in sub-section 5.1.2 of this Registration Document, there has been a general improvement in the trading performance of the Issuer since the date of its last published audited consolidated financial statements relating to the year ended 31 December 2016.

The re-opening of the Italian embassy in Tripoli in January 2017 shows that the international community is forward leaning in its attempts to engage with Libya commercially and diplomatically throughout the difficulties of the post-revolutionary period. It is yet to be seen whether the reopening of the Italian embassy is, therefore, likely to trigger any further diplomatic re-engagements in the country.

Given the security challenges being encountered, commercial activity in Libya continued to diminish and consequently demand for residential premises to accommodate expatriate executives for the long-term has reduced. From the occupancy levels of 94% at Palm City Residences registered in 2013 and 87% in 2014, occupancy reduced to 11% by the end of 2016. During the first three months of 2017 occupancy has increased to 16%.

Palm City Residences has remained operational at all times throughout the political turmoil in the country; the present situation of lower than usual occupational leases at Palm City Residences persisted throughout 2015 and 2016 with increased levels of activity returning to the Palm City Residence as from January 2017 given the lack of expatriate accommodation having equivalent standards and security measures in place.

Management has continued to retain constant communications with the tenants and, whilst occupancies have during the course of 2015 and 2016 reduced, a number of tenants, particularly those who are heavily invested in Libya, have kept their personal belongings at the premises. The business model of Palm City Residences is such that the tenancies do not depend on the business of leisure clients, but rather on blue chip international companies who would require the support of security and logistics service providers, all of whom would seek accommodation at Palm City Residences now more than ever as opposed to varied and fragmented rented accommodation generally around the city. A turn-around of events is being witnessed in 2017 with the sudden inflow of governmental and NGO entities paying rates that are the highest rates charged to date by Palm City. More and more interest is forthcoming from a number of NGO's, security companies and embassies who are planning to move in to Palm City given the high standard of accommodation but also because this is well complimented with security procedures and standard of service throughout that is not available elsewhere in Libya. Occupancy has increased to 14% in the first quarter of 2017, mainly with tenants who are contracted for the longer 3 to 5 year term at rates in excess of €8,500 per residential unit per month. A number of other tenants, predominantly made up of NGO's, security companies and embassies, have indicated their commitment to move to Palm City and with the current active negotiations management anticipates that by July 2017 occupancy levels will increase to 18%.

Looking ahead, Palm Waterfront is expected to be developed adjacent to the Palm City Residences. PWL had submitted development plans to the local authorities in 2015 for their approval of the construction and development of Palm Waterfront. In devising the concept behind the Palm Waterfront project, MIH has taken into consideration feedback received from tenants at the Palm City Residences, including property design layout, services offered and general ambience. It is the intention of PWL to offer residential units at Palm Waterfront, when complete, either on a lease basis or outright sale, but will react to market trends as necessary and will, therefore, align its strategies and offerings in accordance with such trends and market developments. With respect to the planned 164-room 4-star hotel at the Palm Waterfront, PWL will take advantage of the Corinthia Group's experience in operating hotels, particularly in the operation of the Corinthia Hotel Tripoli.

As to the Medina Tower, the project designs are complete and all development approvals have been obtained from the relevant authorities. The joint venture company responsible for the project, MTJSC, had concluded a term sheet with a Libyan financial institution which would secure the debt funding for the said project on a debt to equity basis of 60:40. Given the passage of time since its issuance, this term sheet would need to be reactivated. The development is expected to be completed within circa 48 months from commencement of the works. Said term sheet provides for a moratorium on capital repayments for the length of this 48 month period. This project is currently on hold given the political situation in Libya. Nonetheless, the value of the land and the building permits together with the completion of the detailed designs of the project would significantly add value to the land which is recorded in the books of Medina Tower JSC at €26 million. The location, proximity to the waterfront and neighbouring buildings considered to be the central business district, commands the highest premium in the whole of Tripoli.

Occupancy at the Palm City Residences is likely to continue to increase throughout 2017. However, development of the Group's properties in Libya (including Medina Tower and the Palm Waterfront) will remain on hold until such time when there are clear signs that the turmoil in Libya has subsided and a gradual recovery in business activity has commenced.

Save for the matters disclosed in this Registration Document, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements dated 31 December 2016.

Information relative to the profit forecasts or estimates of the Issuer is set out in the Financial Analysis Summary.

6.2 Trend information of the Guarantor

There has been no material adverse change in the prospects of CPHCL since the date of its last published audited consolidated financial statements dated 31 December 2016.

The following is an overview of the most significant recent trends affecting the Guarantor and the markets in which it operates:

Libya

The limited operation at the Corinthia Hotel Tripoli is likely to persist in 2017. On the other hand, the increase in tenancies at Palm City Residences is testament to a return to some form of normality. However, the development of a number of the Group's properties in Libya (including Medina Tower, the Palm Waterfront and the Benghazi Project) will remain on hold until such time when there are clear signs that the business community in Libya has settled in the country once again.

Russia

Lower oil prices, a decline in real wages, the weakening of the Rouble and the impact from external economic factors continued to weigh on the Russian economy in 2015. However, initial signs of stabilisation are coming from the industrial sector, while performance in the agricultural sector is also looking better. Despite such evidence, the economy will likely continue to underperform due to low oil prices, external economic factors and increasing geopolitical risks.

The Corinthia Hotel St Petersburg has been affected by a reduction in corporate travel to the Russian Federation and a significant reduction in the value of the Rouble against the Euro. The challenges set and so far acted upon by the Hotel's management team have been to source alternative markets, targeting in particular as much business as possible from within the Russian Federation itself, and to operate the Hotel with a wide range of room rates targeting upscale corporate to luxury travellers, a policy that has proved to be successfully implemented in 2016 when record operating profits were registered in Rouble terms.

Tunisia

Tunisia was once again rocked by terrorist activity on 24 November 2015 when a bus carrying presidential guards was targeted in the capital. This marks the third high-profile incident for Tunisia in 2015. The latest attack has exacerbated the country's security concerns and have far-reaching implications for the economy. Since the attacks in June 2015, approximately 70 hotels have closed and employment in the tourism sector has plummeted. Business activity is set to follow suit, as apprehensive investors begin to scale back their investments in Tunisia amid the ongoing violence. Such events have affected and will undoubtedly continue, at least in the near term, to have an adverse impact on the occupancy and average room rates at the Ramada Plaza Tunis Hotel. There has been a marginal recovery in the economy in 2016 and prospects for 2017 appear positive.

Malta

Tourism in Malta in recent years has been performing at a strong level and this trend continued in 2015 as well. Inbound tourism from January to November 2015 amounted to 1.7 million guests, an increase of 5.9% over the same period in 2014. Tourism expenditure was estimated at €1.6 billion, 7.7% higher than that recorded for the comparable period in 2014. Focus will be maintained on increasing traffic during the winter months and attracting more visitors from new markets to Malta. This bodes well for the Maltese hospitality industry to continue to grow revenues and increase profitability. Tourist arrivals, occupancies and rates have increased further during the course of 2016. Performance for 2017 is also expected to be strong with Malta hosting the EU presidency in the first semester of the year.

Beyond 2016, Malta's EU Presidency in 2017 together with Valletta serving as the European City of Culture in 2018 are widely expected to generate increased demand for hotels and enhance Malta's image as a tourist and leisure destination, which would in turn generate future growth. Meanwhile, the somewhat uncertain future of the national carrier Air Malta poses a threat to further growth and competition from other Mediterranean countries will likely remain strong.

In the light of the above developments, the Group's hotel properties in Malta have performed exceptionally well both in terms of revenue generation and profitability, achieving significant year-on-year growth.

Hungary

Hungary's economy picked up pace in the fourth quarter of 2015 as GDP growth accelerated from 2.4% in Q3 2015 to 3.2% (Q4). The pick-up in growth was driven by a robust performance from the domestic economy. Private consumption recorded the largest gain in almost a decade, expanding 3.2% annually. Continued gains in the labour market and higher real wages have supported household spending. Investment activity also gained steam, supported by final drawdowns on EU development funds. Fixed investment growth tallied 6.5% in Q4 2015, contrasting Q3's 1.4% contraction. In addition, government consumption accelerated, rising 6.7% (Q3: +5.1% year-on-year).

Hungary's economy regained traction in Q2 2016, proving resilient to an unprecedented decline in fixed investment over fading EU funding and recovering some of the ground lost in Q1 2016. GDP expanded 2.6% annually in Q2 2016, according to data released by the Central Statistics Office (KSH), marking a considerable pickup over Q1's four-year low of 1.1%. A remarkable rebound in the external sector, which partly resulted from a recovery in the vehicle industry (which in Q1 2016 had suffered from production stoppages), and buoyant private consumption drove the acceleration and helped to overcome weakness in fixed investment. The Central Bank of Hungary sees GDP expanding 2.8% in 2016 and 3.0% in 2017.

During the six month period January to June 2016, accommodation establishments registered an increase in tourism nights of 4.5% (total for the period was 11.0 million tourism nights) when compared to the same period in 2015. The number of nights spent by international and domestic tourists increased by 3.4% and 5.6% respectively. Accommodation establishments generated gross revenues of HUF168.5 billion (circa €554.1 million) during the period in question, an increase of 6.6% over the comparable period. The increase in volume can be attributed mainly to tour groups and leisure individuals taking advantage of discounted prices and a favourable exchange rate. Overall, tourism prospects in Hungary are believed to be promising. Domestic tourism will be fuelled mainly by a weaker local currency, making local travel more attractive for the budget conscious. Inbound travel will also benefit from more competitively-priced Hungarian offerings, especially in medical and health tourism. The conflict in neighbouring Ukraine and the economic difficulties in Russia, however, pose great uncertainties as both countries are important feeder markets and drastic changes in arrival numbers could affect the performance of hotels in the country.

In line with the country's economic improvements, the Corinthia Group's two hotel properties (one five star and one four star) achieved significant year-on-year growth both in revenue generation and in profitability. A substantial part of these improvements is in consequence of the diversification in market segmentation wherein lower rated business is being replaced by the more lucrative leisure, corporate and conference & event market segments.

Czech Republic

The Czech Republic's economic performance was extraordinarily strong in 2015 and a third consecutive annual expansion above 4.0% was recorded (2015: 4.3%). The expansion mainly came on the back of the domestic economy, fuelled by rising investment, through strong absorption of EU funds, and public spending. Solid private consumption, which is benefiting from expansionary monetary policy and low oil prices, has also encouraged growth.

The Czech Republic's economy lost some steam in the second quarter of 2016, slowing from a 3.0% annual increase in Q1 2015 to a 2.6% expansion. The reading was the lowest in two years and highlights the magnitude of the impact on investment of the diminished absorption of aid from the European Structural and Investment Fund. The high levels of investment growth made possible in 2015 thanks to the EU funds started to dissipate in the first quarter of 2016 and further declined in Q2 2016, dragging on overall GDP growth. Weaker private consumption and to a lesser extent a decrease in public spending also held back growth, while the external sector performed strongly. The Czech National Bank expects the economy to expand 3.4% in 2017.

In comparison to the prior year (2014), Czech hotels reported for 2015 an increase in overnight stays of 10.2% to 47.1 million and guest numbers (both resident and foreign guests) increased by 9.6% to 17.2 million. The number of overnight stays in collective accommodation establishments totalled 11.6 million in Q2 2016 (+1.0% y-o-y). The number of nights spent by residents was up 3.8% y-o-y, out of which foreign guests spent 1.4% fewer nights in accommodation establishments. There was a 3.1% y-o-y increase in the number of guests in collective accommodation establishments in Q2 2016 (4.6 million) and occupancy of hotels increased by 4.1% y-o-y (3.4 million guests).

The Czech government is increasingly prioritising to move tourism beyond the current concentration in the capital, Prague, and increase the potential of undiscovered places in the country. Most significant source markets are Germany, Russia, Italy, UK, US, Slovakia and Poland, while demand is also increasing from other markets such as China and South Korea.

Hotel performance in Prague is generally expected to continue to improve in the coming years as the market gradually absorbs the remaining oversupply of hotel rooms, leveraging on its image as an attractive and corporate destination. The performance of inbound tourism will be supported by a second airport in the Czech capital, Prague (Vodochody), which is planned to be operational by 2018. This will enable cheaper flights for tourists as several low cost carriers have shown interest in operating flights to Prague.

This positive trend was also witnessed in the Corinthia Group's two hotel properties in Prague (one five star and one four star) where over the past couple of years there has been significant year-on-year growth both in revenue streams and profitability.

Portugal

For the year 2015, Portugal's GDP increased 1.5% after expanding 0.9% in 2014. During 2015, the government unveiled a plan to repay IMF bailout loans ahead of schedule. In this respect, up to 10 February 2016, Portugal reimbursed a total amount of €10.4 billion to the IMF (representing 36% of total loans outstanding). Portugal's GDP increased a seasonally adjusted 0.3% in Q2 2016 over the previous quarter, according to revised data published by the National Statistics Institute on 31 August 2016. On a year-on-year comparison, GDP expanded 0.9% in Q2 2016, matching the growth rate in Q1 2016.

Overall domestic demand recorded a noticeable slowdown, despite the measures put in place by government to reverse the austerity imposed by the previous administration. On a positive note, total investment recorded a 0.7% increase over the previous quarter, which represented the highest level in four quarters and a solid rebound from Q1's 0.6% contraction. The external sector was the main driver of the pickup in the Portuguese economy in Q2 2016. It made an overall contribution to growth of plus 0.1 percentage points, the highest since September 2015, which contrasted the minus 0.4 percentage points recorded in Q1 2016. The Bank of Portugal expects the economy to expand 1.6% in 2017.

In 2015, tourism accommodation establishments hosted 17.4 million guests (+8.6%) and registered 48.9 million overnight stays (+6.7%). In the period January to July 2016, tourism accommodation establishments recorded 10.6 million guests (+10.7%) and registered 29.6 million overnight stays (+10.2%). Total revenue from hotel activities amounted to €371.6 million in July 2016 and revenue from accommodation was €280.6 million (+16.8% and +17.5% y-o-y respectively). These increases were broadly similar to the aggregate for the period January to July 2016 (+16.7% and +17.8% y-o-y respectively). The coordination between tourism and aviation authorities to expand available routes turned out to be crucial for Portugal's success in the tourism industry. Indeed, the Lisbon tourism market has expanded in the last few years both as a leisure and business destination. In particular, the continuing popularity of cruise tourism and golf tourism and an increased awareness of Lisbon in the conference & events sector have aided demand growth, particularly in the five-star segment.

With the introduction of low cost airline carriers to the country, Portugal is perceived as a 'value for money' destination and this has been one of the leading factors contributing to the growth in the hospitality figures outlined above. The Corinthia Group's hotel property in Lisbon has likewise benefitted from this upsurge in business, registering significant year-on-year growth both in revenue and gross operating profit. Management plans to continue focusing on higher yielding segments (leisure and conference & events) and believes that due to the size of the hotel, there should not be any displacement of leisure guests when signing larger conference & events business.

This positive trend was also witnessed by the Corinthia Lisbon Hotel with significant y-o-y growth both in revenue streams and profit generation.

United Kingdom

The UK economy grew by 0.5% in Q4 2015, taking the annual rate of growth for 2015 to 2.2% (0.7% lower than the 2.9% growth registered in 2014). The disappointing figure was the result of a slowdown in industry due to feeble manufacturing figures as factories struggled with a strong Sterling and weak external demand. Moreover, the construction sector recorded the first contraction in nearly two years. The UK economy grew by 0.6% in the second quarter (April to June) of 2016. The services industry continued to be the main driver of growth in output, growing by 0.5% in Quarter 2 2016 and contributing 0.4 percentage points to the quarterly GDP growth rate. A rebound in survey data in August 2016 following the downturn right after the EU referendum suggests that the Brexit shock on business and consumer confidence is slowly fading out. Helped by the weaker exchange rate, the manufacturing Purchasing Managers' Index (PMI) hit its highest reading in August 2016, reflecting expansion in both activity and new orders. The economy is expected to grow 0.5% in 2017.

In the 12 months to December 2015, the number of visits to the UK was 4% higher (to 35.8 million visits) than a year earlier and earnings remained the same during this period (non-residents spent £21.8 billion in 2015). Overseas residents made 36.6 million visits to the UK in the 12 months August 2015 to July 2016, an increase of 4% compared with the same period a year earlier. Overseas residents spent £21.8 billion on these visits, which was 1% less than the same period a year earlier.

Since its launch in 2011, the Corinthia Hotel & Residences London managed to increase both its revenue generation and operating profits annually. Growth of 9% and 12% in revenue and gross operating profit respectively is being projected by management for FY2017 over FY2016. The hotel's strategy is to achieve an average occupancy level of circa 80% and progressively increase average room rate as the Corinthia brand gains further recognition in London and the UK, making it one of the most sought after hotels in London in the luxury market.

6.3 Key financial review

6.3.1 Financial information of the Issuer

The historical financial information about the Issuer is included in the audited consolidated financial statements for each of the financial years ended 31 December 2014, 2015 and 2016. The said statements are available for inspection as set out under the heading "Documents available for inspection" in section 16 of this Registration Document. Set out below are highlights taken from the audited consolidated financial statements of the Issuer for the years ended 31 December 2014, 2015 and 2016.

Mediterranean Investments Holding p.l.c.
Extracts from the Statements of Comprehensive Income

For the year ended 31 December	**2014**	**2015**	**2016**
	€'000	**€'000**	**€'000**
Revenue	30,091	11,340	3,627
Operating expenses	(5,138)	(2,610)	(2,475)
Gross Profit	**24,953**	**8,730**	**1,152**
Administrative and other expenses	(3,035)	(3,038)	(1,934)
EBITDA	**21,918**	**5,692**	**(782)**
Other Income	30	931	121
Depreciation	(191)	(143)	(124)
Decrease in FV of investment property	(60,867)	–	–
Share of profit from equity accounted investments	5	–	–
Net finance costs	(8,967)	(7,569)	(5,836)
Net fair value gain on interest rate swaps	85	245	238
Loss before tax	**(47,988)**	**(844)**	**(6,383)**
Taxation	19,896	461	(60)
Net Loss for the year	**(28,092)**	**(383)**	**(6,443)**

Mediterranean Investments Holding p.l.c.
Extracts from the Consolidated Statements of Financial Position

As at 31 December	**2014**	**2015**	**2016**
	€'000	**€'000**	**€'000**
Assets			
Non-current assets	271,876	273,423	272,869
Current assets	18,936	10,393	4,309
Total assets	**290,813**	**283,816**	**277,178**
Equity and Liabilities			
Total equity	**138,048**	**138,496**	**131,679**
Liabilities			
Non-current liabilities	106,265	128,731	91,358
Current liabilities	46,500	16,589	54,141
Total liabilities	**152,765**	**145,320**	**145,499**
Total equity and liabilities	**290,813**	**283,816**	**277,178**

Mediterranean Investments Holding p.l.c.
Extracts from the Consolidated Cash Flow Statements

As at 31 December	**2014**	**2015**	**2016**
	€'000	**€'000**	**€'000**
Net cash from operating activities	20,761	5,287	(711)
Net cash (used in)/from investing activities	(437)	(217)	347
Net cash (used in)/from financing activities	(20,348)	(9,913)	(3,554)
Net decrease in cash and cash equivalents	**(23)**	**(4,842)**	**(3,918)**
Cash and cash equivalents b/fwd	10,289	10,277	5,435
Cash and cash equivalents c/fwd before the effect of foreign exchange rate changes	10,267	5,435	1,517
Effect of foreign exchange rate changes	11	–	(20)
Cash and cash equivalents c/fwd	**10,277**	**5,435**	**1,497**

2014 was a year of mixed experiences, with the first half proving to be a record performing period for MIH through its operations of Palm City Residences, whilst the second half of the year was overshadowed by the political conflict that developed in Libya.

Despite these difficult circumstances, management remained resolute in primarily ensuring the safety of its clients and its staff, but also in keeping this property operational at all times. This helped to achieve a profit after tax, but before impairment charges, of €12 million. However, in view of the reduced profitability and the higher country risk, MIH recognised an impairment charge on this property of €40.1 million net of tax for 2014.

A number of factors, not least the continued political instability in Libya throughout 2015 as well as the fall in the price of oil, instigated foreign companies operating in Libya to reduce further their presence in the country. The reduction of foreign personnel in Libya had a significant impact on the financial performance of Palm City Residences, owned by PCL – currently the Group's only operational subsidiary and source of revenue. Notwithstanding these setbacks, management's efforts in aggressively pursuing all possible leasing opportunities supported by the strict control of operational costs, has yielded enough revenue to register a marginal year-end loss. This is a remarkable result especially when one considers the fact that 2015 marked the first full year of operations for Palm City Residences under the current political crisis.

Although there was a certain amount of optimism prevailing at the beginning of 2015, this was severely dampened by the events that unfolded in Tripoli at the end of January. This prompted further evacuation of tenants as well as personnel from Palm City Residences administrative staff in order to safeguard their well-being. Although the occupancy for 2015 closed at only 15 %, Palm City Residences still managed to generate over €11 million in revenue. Despite the strenuous circumstances under which Palm City Residences operated throughout the whole of 2015 and the sharp drop in revenue relative to the year before, it is pertinent to point out that the conversion of revenue to EBIDTA was maintained at a fairly strong percentage of 66%.

Given the lingering situation that persisted in Libya throughout 2016 those tenants who still had units running the term of their lease, continued to pay until the end of the term of their lease. While a number of tenants did not renew the lease contracts, no tenants demanded reimbursement of rent paid upfront due to their decision to leave the country. As a result, Palm City continued to generate revenue with total income for the 12 months to December 2016 registered at €3.5 million ending the year with a 11% occupancy. Through relentless cost control and hands on management of the facility at all levels, and notwithstanding the significantly reduced level of income, Palm City Residences achieved a break even situation at operational level. This was no mean feat considering the multitude of challenges to maintain the operations of a large complex of this nature with a limited number of resources.

The Group registered a loss after tax of €6.4 million in 2016 on account of the interest charges on the bank loan provided to PCL and the bonds in issue by MIH. These losses, together with the payment of the bank's capital repayments were, in the main, funded by further injections of shareholders' loans.

During the latter part of 2016, a number of international companies, NGO's and diplomatic missions have paid visits to Palm City and have sent their security contractors to carry out a property audit. This signaled an interest by a number of potential tenants to move to Palm City Residences if the complex was deemed to meet the security requirements of these specific clients. Given the limited options available to any tenant, in terms of residential complexes and operational hotels and considering the upkeep and security provided in the complex, the Directors feel confident that a number of these enquiries will be converted into real business.

6.3.2 Financial information of the Guarantor

The historical financial information about the Guarantor is included in the audited consolidated financial statements for each of the financial years ended 31 December 2014, 2015 and 2016. The said statements are available for inspection as set out under the heading "*Documents available for inspection*" in section 16 of this Registration Document. Set out below are highlights taken from the audited consolidated financial statements of the Guarantor for the years ended 31 December 2014, 2015 and 2016.

Corinthia Palace Hotel Company Limited
Condensed Consolidated Income Statement
for the year end 31 December

	2014	2015	2016
	€'000	€'000	€'000
Revenue	159,238	178,373	207,923
Net operating expenses	(131,185)	(146,603)	(165,549)
Other operating income	507	984	1,461
EBITDA	**28,560**	**32,754**	**43,835**
Depreciation and amortisation	(24,129)	(26,906)	(32,475)
Net changes in fair value of investment property	(14,629)	193	(19,768)
Net impairment (losses) / reversals attributable to hotel properties	(6,953)	(4,454)	3,090
Results from operating activities	**(17,151)**	**1,587**	**(5,318)**
Other non operating income	923	0	218
Net finance costs	(17,118)	(19,887)	(22,789)
Exchange differences on borrowings	(455)	(8,305)	9,916
Share of results of associate companies	(29,075)	(3,893)	(1,273)
Loss before tax	**(62,876)**	**(30,498)**	**(19,246)**
Income tax income / (expense)	13,990	(579)	(3,029)
Loss for the year	**(48,886)**	**(31,077)**	**(22,275)**
Other comprehensive income			
Net (impairment) / revaluation of hotel properties	(15,391)	44,233	41,027
Share of comprehensive income of equity accounted investments	19,197	9,676	6,598
Other effects and tax	9,636	(18,294)	(4,811)
Other comprehensive income for the year net of tax	**13,442**	**35,615**	**42,814**
Total comprehensive (loss) / income for the year	**(35,444)**	**4,538**	**20,539**

Corinthia Palace Hotel Company Limited
Condensed consolidated balance sheet
as at 31 December

	2014 €'000	2015 €'000	2016 €'000
Non current	1,136,924	1,269,592	1,287,785
Current	71,521	86,631	101,842
Total assets	**1,208,445**	**1,356,223**	**1,389,627**
Equity pertaining to CPHCL shareholders	386,745	387,432	394,928
Minority interest	246,961	253,599	270,429
Total equity	**633,706**	**641,031**	**665,357**
Non-current	483,414	572,986	605,379
Current	91,325	142,206	118,891
Total liabilities	**574,739**	**715,192**	**724,270**
Total equity and liabilities	**1,208,445**	**1,356,223**	**1,389,627**

Corinthia Palace Hotel Company Limited
Condensed Consolidated of Cashflow
for the year ended 31 December

	2014 €'000	2015 €'000	2016 €'000
Net cash from operating activities	8,942	36,900	4,199
Net cash (used in) from investment activities	39,362	(28,855)	(28,175)
Net cash used for financial activities	(32,166)	(7,322)	32,440
Net increase in cash and cash equivalent	**16,138**	**723**	**8,464**
Cash and cash equivalent at the beginning of year	(47)	16,091	16,814
Cash and cash equivalent at end of year	**16,091**	**16,814**	**25,278**

In 2014 the Corinthia Group's revenue amounted to €159.2 million reflecting a decrease of €5.7 million on the turnover registered in 2013 (€164.9 million). As in previous years, these consolidated figures do not include the 50% share of results of the Corinthia Hotel & Residences London and Palm City Residences in Libya which are reflected in the line item 'Share of results of associate companies'. In view of the instability in Libya in the second half of the year and the economic conditions in the Russian Federation, the revenues generated by Corinthia Hotel Tripoli and Corinthia Hotel St. Petersburg for the year ended 31 December 2014 were lower than those of 2013 by circa €16.1 million. This reduction was, however, in the main compensated by increased revenues and the rationalisation of operating costs by the Corinthia Group's other hotel properties across Europe. The Corinthia Group's EBITDA for 2014 at €28.6 million (excluding the Corinthia Hotel & Residences London and Palm City Residences) represents a reduction of only €2.6 million on the EBITDA of €31.2 million reported in 2013.

The depreciation charge for 2014 reduced by more than €4.1 million on the prior year and this was largely due to some assets becoming fully depreciated. In 2014 there was also a reduction in net finance costs in consequence of reduced EURIBOR rates coupled with the further reduction of the Corinthia Group's indebtedness.

The loss of €29.1 million (2013: profit of €0.4 million) registered on the Corinthia Group's share of results of associate companies mainly reflects the developments at the Corinthia Hotel & Residences London (50% share of the loss of €29.1 million registered on this investment), and at MIH through its principal subsidiary company PCL (50% share of the loss of €21.3 million).

In 2014 the Corinthia Hotel & Residences London registered a marginal improvement in its operating performance over 2013. However, depreciation and interest costs turned this profit into a loss of €11.2 million. The continued positive trend in operational performance resulted in an uplift of €17.9 million in this property's value recognized in other comprehensive income. In April 2014, 11 apartments in Whitehall Place adjacent to the Corinthia Hotel London were sold to third parties while the penthouse apartment was retained to be sold when the right opportunity arises. Except for one-off property costs resulting from this sale of apartments, this disposal of assets had no effect on the Corinthia Group's financial results since these apartments had already been valued at their market price.

For MIH, 2014 was a year of mixed experiences, with the first semester proving to be a record performance at Palm City Residences, whilst the second semester was overshadowed by the political conflict that developed in Libya. Despite these difficult circumstances, management remained resolute in primarily ensuring the safety of its clients and its staff, but also in keeping this property operational at all times. This helped to achieve a profit after tax, but before impairment charges, of €12 million (2013: €13.8 million). However, in view of the reduced profitability and the higher country risk, MIH recognised an impairment charge on this property of €40.1 million net of tax.

Although, in 2014 the Corinthia Group registered an encouraging operational performance despite the problems in Libya and in Russia, its profitability for 2014 was adversely impacted by the resultant impairment charges on its properties in these two countries. In fact, the Corinthia Group recognised an impairment charge of €69.2 million in the value of its hotels and investment properties in Tripoli and in St. Petersburg. On the other hand, through the robust performance achieved by a number of the Corinthia Group's hotels located in Europe, the Corinthia Group registered a total uplift of €52.7 million in the fair values of these properties, most notable of which were the ones located in London (limited to 50% share), in Lisbon and in Budapest.

The net effect of these revaluation adjustments, excluding that on Palm City Residences, was a loss of €21.6 million reflected in the Income Statement and a gain of €3.8 million in the Statement of Comprehensive Income with the relative tax effect mitigating the overall net impairment loss to €6.2 million. In consequence of the foregoing, in 2014 the Corinthia Group registered a loss after tax of €48.9 million compared to a profit of €4.8 million in 2013.

The other comprehensive income of €13.4 million (2013: €42.2 million) mainly reflects the net effect of the Corinthia Group's share of impairment charges of €5.8 million, net of tax, and a favourable translation adjustment of €6.4 million on the investment in the Corinthia Hotel & Residences London as a result of the strengthening of the Pound Sterling versus our reporting currency, the Euro.

After adding the net comprehensive income of €13.4 million to the loss after tax of €48.9 million, the Corinthia Group's total comprehensive expense for 2014 amounted to €35.4 million against a total comprehensive income of €46.9 million registered in 2013.

Property revaluation adjustments feature prominently in both the Corinthia Group's income statement and in the comprehensive income statement. In 2014 the net impairment charges were significant and were the principal reasons for the deviation in the results for year when compared to 2013. It is also important to highlight the fact that the total comprehensive expense of €35.4 million includes €44 million of non-cash related adjustments relating to impairments, depreciation and translation adjustments.

Despite the force majeure situations in Russia and Libya the Corinthia Group remained resilient through its robust asset base which at the end of 2014 exceeded €1.2 billion, its diversified portfolio, its prudent gearing ratio, and the unbending commitment of its two shareholding blocks and its employees.

During **2015**, the Group registered a loss after tax of €31.1 million. After adding other comprehensive income of €35.6 million the total comprehensive profit for the year amounted to €4.5 million.

2015 was generally a good year for the Group despite the setbacks brought about by the difficult economic and political situations in Libya, Russia, and Tunisia. Revenues continued to increase and profitability improved in most of the Group's operations.

On 10 August 2015 IHI acquired the Malta based Island Hotels Group (IHGH). Through this acquisition, IHI intends to enhance development opportunities on the adjoining sites in St Julian's Malta once the necessary planning approvals and funding are in place, while it started maximizing synergies of its operations in Malta through the merging of the acquired operations into its own structures. The results of this acquired Group are included in the consolidated financial statements of the Corinthia Group as from 1st July 2015 resulting in an additional profit after tax of €2.5 million excluding the results from associated companies.

During 2015 the Group's revenue amounted to €178.4 million reflecting an increase of €19.2 million on the turnover registered in 2014 (€159.2 million). These consolidated figures do not include the results of the Corinthia Hotel in London, the Palm City Residences in Libya, and the Golden Sands Resorts (acquired through IHGH) in which the Group holds a 50% shareholding. The Group's 50% share of the net profit or loss of these three important investments are reflected in the line item 'Share of results of associate companies'.

The current year's results were again characterised by significant fluctuations, both positive and negative, in the fair value of the Group's properties. This affected both the Income Statement and the Comprehensive Income. In the Income Statement the Group recognised a net impairment of €4.4 million (2014: impairment of €21.6 million) mainly due to the Corinthia Hotel St Petersburg.

The depreciation charge for 2015, which is reported under net operating expenses, increased from €24.1 million in 2014 to €27.0 million in 2015 mainly in consequence of the inclusion of the IHGH's results in the Group's consolidated results.

In 2015 net finance costs increased by €2.8 million (from €17.1 million in 2014 to €19.9 million in 2015). The net increase is principally on account of the incorporation of the IHGH borrowing costs for the second semester of this year, which amounted to €1.9 million.

In 2015, the Group registered a loss of €3.9 million (2014: loss of €29.1 million) on its share of results of associate companies. The results of the Corinthia Hotel London and Residences (50% share of the 2015 loss of €8.1 million compared to a loss of €29.1 million in 2014), MIH through its principal subsidiary company Palm City Ltd (50% share of the loss of €0.4 million in 2015 compared to a loss of €28.1 million in 2014). For the first time, the results of 50% share in Golden Sands Resorts during the last six months of the year are also being reported in 2015 and these represent a profit amounting to €2.0 million.

Despite posting a net loss after interest and depreciation, the performance of the Corinthia Hotel London, in which IHI holds a 50% stake, improved significantly in 2015 with record occupancies, rates and EBITDA earnings being achieved as this property moves further towards its maturity. The hotel's EBITDA, limited to IHI's 50% share, amounted to €8.2 million as compared to €4.5 million in 2014. Following the sale of the 11 residential apartments adjoining the hotel in 2014, the residential penthouse at 10 Whitehall Place has been leased for a term of two years starting early in 2016.

In 2015, the continued reduction of foreign personnel in Libya had a significant impact on the occupancy levels and financial performance of Palm City Residences, ultimately owned by MIH. Notwithstanding these setbacks, management's efforts in aggressively pursuing all possible leasing opportunities supported by the strict control of operational costs, yielded enough revenue to register a profit from operations of €6.5 million and a marginal loss after tax.

MIH recognizes that in order to maintain the existing revenue streams, as well as in preparation for returning tenants in future, it is imperative that Palm City Residences continues to operate uninterruptedly despite the huge challenges being faced. In order to safeguard the well-being of its personnel as well as that of its tenants, Palm City continues to implement a number of security and contingency plans which include, but are not limited to, infrastructural improvements and security breach counter-measures.

The overall situation in Libya has led to a considerable reduction in turnover and EBITDA earnings from the Group's hotel operations. On the other hand, the Commercial Centre, adjoining the hotel and leased to blue chip companies, remained operational in 2015, generating substantial rental income.

In consequence of the foregoing, in 2015 the Group registered a loss after tax of €31.1 million compared to a loss of €48.9 million in 2014.

The other comprehensive income of €35.6 million (2014: €13.4 million) mainly reflects the net effect of the Group's share of property revaluation uplifts of €42.3 million net of tax, a favourable translation adjustment of €5.9 million on the investment in the Corinthia Hotel London and Residences, and €15.3 million in adverse currency effects caused by the change of functional currency for the Russian operation. The property revaluation uplifts resulted from improved performances combined with positive outlooks registered in the Group's hotels located in Malta, Hungary, London and the Czech Republic.

As a result of the positive effects described above, the Group's total comprehensive income for the year amounted to €4.5 million, against a total comprehensive expense of €35.4 million registered in 2014.

In **2016** the Group registered total comprehensive income of €20.5 million against a corresponding figure of €4.5 million in 2015. This is made up of a loss after tax of €22.3 million in the Income Statement (2015: loss of €31.1 million) and net other comprehensive income of €42.8 million (2015: €35.6 million). €6.6 million (2015: €0.6 million) of total comprehensive income is attributable to the shareholders of CPHCL whilst the balance is attributable to non-controlling interests.

Despite the prolonged period of political instability in Libya, the Group registered a better overall performance for the year than that for 2015. This was generally the result of a combination of sustained improvement in the Group's hotel operations and some significant uplifts in the value of these properties. These positive results were partially dented by the effects of the weakening of the Pound Sterling and the impairment in the value of the Group's Commercial Centre in St Petersburg. On the other hand, the sustained appreciation of the Russian Rouble partly mitigated the impairment on the investment property in St Petersburg.

As already reported last year, IHI acquired the IHGH in 2015. Through this acquisition, IHI has not only enhanced its development opportunities on the adjoining sites in St Julian's Malta, but also embarked on an intensive exercise aimed at maximizing synergies in its operations in Malta. The results of IHGH were consolidated in the Corinthia Group's results as from 1st July 2015. In 2016 the whole twelve months' results of IHGH were consolidated in the Group's Consolidated Income Statement and Statement of total Comprehensive Income, rather than being limited to six months as was the case the year before.

These consolidated amounts do not include, at EBITDA level, the results of the Corinthia Hotel in London, the Palm City Residences in Libya, and the Golden Sands Resorts (acquired through IHGH) in which the Group holds a 50% shareholding. The Group's 50% share of the net profit or loss of these three important investments are reflected in the line item 'Share of results of associate companies' and will be explained in more detail further on in this review.

During 2016 the Group's revenue amounted to €207.9 million reflecting an increase of €29.5 million on the turnover of 2015 (€178.4 million).

There has been a year-on-year improvement in EBITDA of €11.1 million. This improvement was mainly driven by strong Hotel performances in Russia (€3.3 million), Portugal & Hungary (€1.3 million), and IHGH (€5.3 million). The latter principally due to the recognition of a full period of twelve months' results.

The depreciation charge for 2016 increased from €26.9 million in 2015 to €32.5 million in 2016 mainly in consequence of the inclusion of the IHGH's results in the Group's consolidated results for the whole year (€2.0 million), as opposed to six months the year before.

Net finance costs increased by €2.9 million mainly in consequence of increased bond interest costs primarily due to the new €55 million Bond issued by IHI plc in July 2016 and the fact that IHGH's finance costs for 2015 only represent the charges for six months (post acquisition), whilst those for 2016 cover a full year.

On the other hand, in exchange differences on borrowings, there has been a year-on year improvement of €18.2 million given that in 2015 there was an exceptional loss of €8.3 million and this year an exceptional gain of €9.9 million, both effects underpinned by the movements of the Rouble against the Euro (depreciation in 2015 and appreciation in 2016).

The loss of €1.3 million registered on the Group's share of results of associate companies (2015 - loss of €3.9 million) mainly reflects the results of the Corinthia Hotel London and Residences (50% share of the 2016 loss of €4.8 million compared to a loss of €8.1 million in 2015) and MIH through its principal subsidiary company Palm City Ltd (50% share of the loss of €6.4 million in 2016 compared to a loss of €0.4 million in 2015). These losses were mitigated by the 50% share of the profit registered by the Golden Sands Resorts of €8.4 million compared to a profit of €2.0 million for the last six months of 2015.

With regards to Palm City the prolonged political unrest in Libya resulted in foreign companies downsizing their presence in the country and decreasing the number of their personnel on the ground. This situation continued to affect the occupancy levels and the financial performance of Palm City Residences (owned by MIH plc). Notwithstanding the low physical occupancy, Palm City remains open and operational, with a reduced staff compliment working around the clock to ensure that the complex is well maintained and secure. Such measures limited the operational loss to €0.8 million against a profit of €6.5 million in 2015. However, the loss after tax increased from €0.4 million in 2015 to €6.4 million in 2016 mainly due to the incidence of the relatively fixed financing costs on bank loans and corporate bonds.

A net revaluation uplift of €3.0 million (2015: Impairment of €4.5 million) was recognised in the Income Statement mainly due to the improvement in results of Corinthia Hotel St Petersburg. On the other hand, the revaluation of the commercial centre in St Petersburg resulted in an impairment of €19.76 million due to lower leasing rates achieved relative to those previously anticipated.

In consequence of the foregoing, in 2016 the Group registered a loss after tax of €22.3 million which is lower than the loss of €31.1 million sustained in 2015.

The positive result in the other comprehensive income of €42.8 million (2015: €35.6 million) reflects mainly the effect of the property revaluation uplifts amounting to €38.7 million, net of tax, plus a favourable currency translation adjustment of €1.5 million, being mainly the net favourable effect of the appreciation of the Rouble and the weakening of the Pound Sterling.

The property revaluation uplifts were the result of the improved operating performances and positive outlooks registered by the Group's hotels located in Malta, Hungary, Portugal, London, Russia (recognised in the Income Statement) and the Czech Republic.

The various and substantial positive effects described above helped the Group achieve a total comprehensive income for the year of €20.5 million, against the €4.5 million registered in 2015.

6.4 Future Investments

Pursuant to the build-operate-transfer agreement entered into on 5 December 2013 by and between CPHCL and PWL, the latter is committed, subject to the issuance of the required permits and raising the necessary financing by way of equity investment in PWL and/or bank financing, to construct the Palm Waterfront.

Furthermore, pursuant to the Issuer's 25% shareholding in MTJSC and the shareholding of the other shareholders in MTJSC, MTJSC has the equity contribution required for the first phase of the Medina Tower project and a signed term sheet with a Libyan financial institution for the debt portion of this project. The said term sheet provides for a moratorium on capital repayments for the anticipated 48-month works' period required for the completion of the development.

Save for the above, the Group is not party to any other principal investments, and has not entered into or committed for any principal investments subsequent to 31 December 2016, being the date of the latest audited consolidated financial statements of the Issuer.

7 MANAGEMENT AND ADMINISTRATION

7.1 The Issuer

7.1.1 The Board of Directors of the Issuer

In terms of its Memorandum and Articles of Association, the Issuer is managed by a Board of seven (7) Directors entrusted with the overall direction and management thereof.

The Issuer's Memorandum and Articles of Association further provide that:

- CPHCL, as the holder of ordinary 'A' shares, shall have the right to appoint three (3) Directors to the Board;
- NREC and LPTACC, as the holders of ordinary 'B' shares, shall have the right to appoint three (3) Directors to the Board; and

- CPHCL, NREC and LPTACC, as the holders of ordinary 'A' shares and ordinary 'B' shares respectively, shall have the right to jointly appoint the seventh Director to the Board.

As at the date of the Prospectus, the Board of the Issuer is composed of the individuals listed in sub-section 4.1 of this Registration Document. Furthermore, in line with generally accepted principles of sound corporate governance, at least one (1) of the Directors shall be a person independent of the Group.

During the first three-year term of the Issuer, the right to nominate the Chairman of the Board vested with CPHCL. Following the lapse of the said first three-year term, the right to appoint the Chairman of the Board vested jointly in NREC and LPTACC. Save for any amendments to the Memorandum and Articles of Association of the Issuer that may from time to time be made to such effect, the three-year term rotation policy will be maintained throughout the period that the Issuer is validly constituted.

The Board is responsible for the identification and execution of new investment opportunities and the funding of the Issuer's acquisitions. All proposed acquisitions of the Issuer are brought to the Board for approval. The Board is also responsible for ensuring the establishment of the appropriate management contracts of the Issuer's properties in the case of operational properties, and the negotiating and awarding of project contracts in the case of the development of new properties.

None of the Directors have been:

a) convicted in relation to fraud or fraudulent conduct in the last five (5) years;
b) made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
c) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
d) disqualified by a court from acting as director or manager in the last five (5) years.

The Directors believe that the Issuer's current organisational structure is adequate for its present activities. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

7.1.2 Directors' service contracts and remuneration

None of the Directors have a service contract with the Issuer.

In accordance with the Issuer's Articles of Association, the Directors shall be paid such amount of remuneration as may be so agreed by an extraordinary resolution of the shareholders of the Issuer. Since the date of the Issuer's formation, no extraordinary resolution has been taken for this purpose.

7.1.3 Conflict of interest

In addition to being a Director of the Issuer, Alfred Pisani is also a director of CPHCL and, together with Joseph Fenech, they are both also directors of MTJSC, whereas Mario P. Galea, Samuel D. Sidiqi and Faisal J.S. Alessa are also directors of PCL and PWL, and Joseph Pisani and Bassem Bitar are also directors of PCL.

In light of the foregoing, such Directors are susceptible to conflicts between the potentially diverging interests of the Issuer and any of such other companies in transactions entered into, or proposed to be entered into, between them. The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by the Directors are handled in the best interest of the Issuer and according to law. The fact that the Audit Committee is constituted in its majority by independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis.

To the extent known or potentially known to the Issuer, as at the date of the Prospectus, other than the information contained and disclosed in the Prospectus, there are no other conflicts of interest between any duties of the Directors and their private interests and/or their duties which require disclosure in terms of the Regulation.

7.1.4 Loans to Directors

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

7.1.5 Removal of Directors

A Director may, unless he resigns, be removed by the shareholder appointing him or by an ordinary resolution of the shareholders as provided in Articles 139 and 140 of the Act. The Directors currently in office are expected to remain in office at least until the next Annual General Meeting of the company.

7.1.6 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting. The powers of the Directors are better described in sub-section 13.2.3 below.

7.1.7 Employees

As at the date of the Prospectus the Issuer does not have any employees of its own and is reliant on the resources which are made available to it by CPHCL pursuant to the MSS Agreement detailed in sub-section 5.1.3 of this Registration Document, including, in particular, the services of Mr Reuben Xuereb, who is the Chief Executive Officer of MIH, Ms Rachel Stilon, who is the Chief Financial Officer of MIH, and Mr Stephen Bajada who acts as the Company Secretary of MIH.

As at 31 December 2016 the Group employed 70 members of staff, 58 of whom work in operations and the remaining 12 in administration. In this regard, the Issuer's objective during the course of 2017 is to manage the operation of the Palm City Residences efficiently and to ensure that payroll and other operating costs continue to be met.

7.1.8 Working capital

At the end of 2016, the Group reported a working capital deficiency of €49.8 million, of which €40.3 million relates to the Maturing Bonds. The Directors believe that they will be successful in replacing the Maturing Bonds with this Bond Issue. The Directors have also obtained written assurances from the shareholders of MIH that they will continue to support the company, proportionate to their shareholding, on an on-going basis, to enable it to meet its liabilities as and when they fall due. Accordingly, the Directors are confident that the Issuer will continue to have adequate levels of cash to sustain its operations and investments.

7.2 The Guarantor

7.2.1 The Board of directors of the Guarantor

The Memorandum of Association of the Guarantor provides that the Board of directors shall be composed of six (6) directors. As at the date of the Prospectus, the board of directors of the Guarantor is constituted by the individuals set out in sub-section 4.2 of this Registration Document.

7.2.2 Directors' service contracts

None of the directors of the Guarantor have a definitive service contract with the company.

7.2.3 Loans to directors

There are no loans outstanding by the Guarantor to any of its directors, nor any guarantees issued for their benefit by the Guarantor.

7.2.4 *Non-executive directors*

The non-executive directors' main functions are to monitor the operations of the executive directors and their performance, as well as to review any investment opportunities that are proposed by the executive directors. All proposed acquisitions of the Guarantor are brought to the board of directors for approval.

7.2.5 *Boards of CPHCL's subsidiary companies*

Each property is owned through a subsidiary company registered in the jurisdiction where that property is located and such subsidiary company is required to comply with all the laws and regulations of that jurisdiction. Accordingly, a board of directors is entrusted with the responsibility of the direction and management of each subsidiary within the strategic parameters established by the Guarantor's board of directors. In some jurisdictions the Guarantor has adopted the structure of a dual board in line with the requirements of legislation prevalent under those jurisdictions. These involve the concept of a board of directors that is entrusted with setting the policies and strategies of each respective subsidiary to be implemented by management in the day-to-day operations and executive decisions, and a supervisory board that is entrusted with monitoring the policy implementation within that subsidiary by management.

The board of directors of each subsidiary is, within the strategic parameters established by the board of directors of the Guarantor, autonomous in the determination of the appropriate policies for the respective property and, in the case of hotels, is entrusted with handling the relations with the hotel operating company. Each property, in turn, has its own management structure and employees that have the function of implementing the policies and directions of the subsidiary boards.

8 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

8.1 Major shareholders of the Issuer

As further detailed in sub-section 13.1 below, CPHCL currently owns 50% of the share capital of the Issuer, NREC holds 40% of the share capital, whereas LPTACC holds the remaining 10%. LPTACC is a fully-owned subsidiary by NPHC, which, in turn, is 98% owned by NREC.

Specifically, the Issuer has an authorised share capital of €100,000,000 divided into 50,000,000 ordinary 'A' shares of €1 each and 50,000,000 ordinary 'B' shares of €1 each. The Issuer has an issued share capital of €48,002,000 divided into 24,001,000 ordinary 'A' shares of €1 each and 24,001,000 ordinary 'B' shares of €1 each, which are subscribed to and allotted as fully paid up shares as follows:

Name of Shareholder	Number of shares held
Corinthia Palace Hotel Company Limited (C 257)	24,001,000 ordinary 'A' shares of €1 each
National Real Estate Company KSCP (19628)	19,200,800 ordinary 'B' shares of €1 each
Libya Projects General Trading And Contracting Company (119633)	4,800,200 ordinary 'B' shares of €1 each

As far as the Issuer is aware, no person holds an indirect shareholding in excess of 5.0% of the company's total issued share capital. Furthermore, to the best of the Issuer's knowledge there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the "**Code**") with a view to ensuring that the relationship with its major shareholders is retained at arm's length, including adherence to rules on related party transactions requiring the sanction of the Audit Committee, which is constituted in its majority by independent, non-executive Directors, of which one, in the person of Mr Mario P. Galea, also acts as Chairman. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The composition of the Board, including the presence of an independent, non-executive Director not appointed by either of the major shareholders of the Issuer, effectively minimises the possibility of any abuse of control by any major shareholder.

8.2 Major shareholders of the Guarantor

The authorised and issued share capital of CPHCL is €20,000,000 divided into 20,000,000 ordinary shares of a nominal value of €1 each. The share capital has been fully issued, subscribed and fully paid up, as follows:

	Name of Shareholder	Number of shares held
1	A. & A. Pisani and Co. Ltd (C 6430)	1,666,667 ordinary shares of €1 each
2	J & H Pisani Company Limited (C 6817)	1,666,667 ordinary shares of €1 each
3	PAKA Limited (C 6969)	1,666,667 ordinary shares of €1 each
4	VAC Company Limited (C 6818)	1,666,667 ordinary shares of €1 each
5	Geranium Holdings Limited (C 66582)	1,666,666 ordinary shares of €1 each
6	Intakur Limited (C 7038)	1,666,666 ordinary shares of €1 each
7	Libyan Foreign Investment Company (LFICO)	10,000,000 ordinary shares of €1 each

At present, in terms of the Memorandum and Articles of Association of the Guarantor, the Board of CPHCL consists of six (6) directors. A shareholder or a number of members who individually or between them hold 16.66% plus one share of the issued share capital of CPHCL shall be entitled to appoint one director. In practice, the Pisani family is collectively (represented through the shareholders numbered 1 to 6 above) entitled to appoint three directors and LFICO (numbered 7 above) is entitled to appoint the other three. All issues arising at Board of directors meetings are to be decided by a majority of votes and in the case of equality of votes the Chairman shall not have a second or casting vote.

9 AUDIT COMMITTEE PRACTICES

9.1 The Issuer

9.1.1 Audit Committee

The terms of reference of the Audit Committee of the Issuer consist of, inter alia, its support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time.

Briefly, the Committee is expected to deal with and advise the Board on:

a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
b) maintaining communications on such matters between the Board, management and the independent auditors;
c) facilitating the independence of the external audit process and addressing issues arising from the audit process; and
d) preserving the company's assets by understanding the company's risk environment and determining how to deal with those risks.

In addition, the Audit Committee also has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Issuer and a related party, to ensure that the execution of any such transaction is at arm's length and on a sound commercial basis and, ultimately, in the best interests of the Issuer.

A majority of the Directors sitting on the Audit Committee are of an independent, non-executive capacity. The Audit Committee is presently composed of the following non-executive Directors - Mario P. Galea who acts as chairman, whilst Joseph Pisani (non-executive Director) and Bassem Bitar (independent, non-executive Director) act as members. In compliance with the Listing Rules, Mario P. Galea is the independent, non-executive Director who is competent in accounting and/or auditing matters. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The CVs of the said Directors may be found in sub-section 4.1 above.

9.1.2 Internal audit

The internal audit function is conducted by CPHCL in terms of the MSS Agreement. The role of the internal audit team is to carry out systematic risk-based reviews and appraisals of the operations of the Issuer (as well as of its subsidiaries and associates from time to time thereof) for the purpose of advising management and the Board, through the Audit Committee, on the efficiency and effectiveness of internal management policies, practices and controls. The function is expected to promote the application of best practices within the Issuer's organisational structure.

The internal audit unit reports directly to the Audit Committee.

9.2 The Guarantor

9.2.1 Compliance with the Corporate Governance regime

Whilst it is not a requirement on the Guarantor to adopt the Code, it has out of its own accord chosen to introduce disciplines that are recommended in the Code, including the setting up of an Audit Committee as indicated below.

9.2.2 Audit Committee of CPHCL

The primary objective of CPHCL's Audit Committee is to assist the board of directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the board of directors, management, the external auditors and the internal audit team. The internal and external auditors are invited to attend the Audit Committee meetings. The Audit Committee of CPHCL reports directly to the board of directors of the said company.

The terms of reference of CPHCL's Audit Committee have been formally set out in a separate Charter. Joseph F.X. Zahra acts as Chairman and Abuagila Almahdi, Joseph J. Vella and Mario P. Galea as members, whilst Alfred Fabri performs the duties of secretary to the Audit Committee.

The Audit Committee's role includes responsibility for monitoring the performance of the entities borrowing funds from the company and also carrying out the oversight of related party transactions to ensure that these are carried out on an arm's length basis.

9.2.3 Internal audit

The role of the internal auditor is to carry out systematic risk-based reviews and appraisals of the operations of the Guarantor (as well as of the subsidiaries and associates of the Corinthia Group) for the purpose of advising management and the board of directors, through the Audit Committee, on the efficiency and effectiveness of internal management policies, practices and controls. This function is expected to promote the application of best practices within the organisation. The internal auditor reports directly to the Audit Committee.

9.2.4 Hotel operations

Day-to-day management of hotel operations are the responsibility of CHI, the Corinthia Group's hotel operating company that directs each subsidiary's management and staff in day-to-day operations. The responsibility of the operational performance of each hotel is that of the operating company, whose performance is monitored and evaluated on a regular basis by the board of each subsidiary, which in turn reports on performance and operations to IHI's or CPHCL's board of directors, or third party owners, as the case may be.

9.2.5 Property audit

Regular property audits are carried out by QPM. These audits, which are unannounced, comprise a full review of each property twice a year when a physical inspection of the building and the assets is undertaken by experienced engineers. A detailed report is submitted to the owners, including a review of the maintenance systems and quality of the maintenance works with recommendations on the replacement of plant and equipment.

9.3 Related party transactions concerning CPHCL

CPHCL regularly enters into trading transactions with fellow subsidiaries and associates within the Corinthia Group in its normal course of business. Trading transactions between these companies include items which are normally encountered in a group context and include rental charges, management fees, recharging of expenses and financing charges. These transactions are subject to regular scrutiny of the Audit Committees of both the Issuer and of CPHCL to ensure that they are made on an arm's length basis and that there is no abuse of power by the Issuer or CPHCL in the context of related party transactions. In this regard, the Audit Committees of both the Issuer and of CPHCL meet as and when necessary for the purpose of discussing formal reports submitted by each company's internal auditor on any transactions or circumstances which may potentially give rise to such conflict or abuse.

10 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Issuer is subject to the Code and the Board has taken such measures as were considered necessary in order for the Issuer to comply with the requirements of the Code to the extent that these were deemed appropriate and complementary to the size, nature and operations of the Issuer, as follows:

- **Principles 1 & 4:** The Board of Directors is entrusted with the overall direction and management of the Issuer, including the establishment of strategies for future development, and the approval of any proposed acquisitions by the Issuer in pursuing its investment strategies. Its responsibilities also involve the oversight of the Issuer's internal control procedures and financial performance, and the review of business risks facing the Issuer, ensuring that these are adequately identified, evaluated, managed and minimised. All the Directors have access to independent professional advice at the expense of the Issuer, should they so require;

- **Principle 2:** The roles of Chairman and Chief Executive Officer are carried out respectively by Mr Alfred Pisani and Mr Reuben Xuereb;

- **Principle 3:** The Board is composed of two executive Directors, Alfred Pisani and Joseph Fenech, and five non-executive Directors (two of whom are also independent of the Issuer). Three Directors are appointed by each of the two major shareholders, CPHCL and NREC. The other, Mr Mario P. Galea, is an independent Director jointly appointed by the two major shareholders. The composition and balance on the Board is determined in accordance with the provisions set out in the Memorandum and Articles of Association of the Issuer regulating the appointment of Directors, and although the majority of non-executive Directors are not independent as recommended by the Code, the Issuer considers the present mix of executive Directors and non-executive Directors (including the two independent Directors) to create a healthy balance and serves to unite all shareholders' interests, whilst providing direction to the Issuer's management to help maintain a sustainable organisation.

  The non-executive Directors constitute a majority on the Board and their main functions are to monitor the operations of the executive directors and their performance, as well as to analyse any investment opportunities that are proposed by the executive Directors. In addition, the non-executive Directors have the role of acting as an important check on the possible conflicts of interest of the executive Directors, which may exist as a result of their dual role as executive Directors and their role as officers of CPHCL;

- **Principle 5:** The Board of Directors aims to meet regularly and all Directors are given ample opportunity to discuss the agenda and convey their opinions. During 2016 the Board of Directors met four times to discuss the operations and strategy of the Issuer;

- **Principle 6:** The Chief Executive Officer ensures that Directors are provided with relevant information to enable them to effectively contribute to Board decisions;

- **Principle 7:** The Board of Directors performs a self-evaluation of its own performance and that of its committees on an annual basis, and the Board's performance is always under the scrutiny of the shareholders. The Board considers the present evaluation procedure to suffice and, therefore, does not consider it necessary to formalise the evaluation process through the setting up of an evaluation committee;

- **Principle 8:** The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of a nomination and remuneration committee. Given that the Issuer does not have any employees of its own (its senior executive team providing services to the Issuer pursuant to the MSS Agreement), and any remuneration to the Board of Directors is determined by the shareholders of the Issuer in accordance with its Memorandum and Articles of Association, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with its Memorandum and Articles of Association;

- **Principle 9:** The Issuer is highly committed to having an open and communicative relationship with its bondholders and investors;

- **Principle 10:** The Issuer ensures that it is in constant contact with its principal institutional shareholders and bondholders;

- **Principle 11:** By virtue of the Issuer's Memorandum and Articles of Association, the Directors are obliged to keep the Board advised, on an on-going basis, of any interest that could potentially conflict with that of the Issuer. The Board member concerned shall not take part in the assessment by the Board as to whether a conflict of interest exists. A Director shall not vote in respect of any contract, arrangement, transaction or proposal in which he has a material interest;

- **Principle 12:** The Issuer understands that it has an obligation towards society at large to put into practice sound principles of corporate social responsibility. It achieves this through the commitments of CPHCL.

Save for the instances of non-adherence to the Code which have been explained above, the Board is of the opinion that the Issuer is in compliance with the Code.

11 HISTORICAL FINANCIAL INFORMATION

The Issuer's historical financial information for the three financial years ended 31 December 2014, 2015 and 2016 as audited by Grant Thornton is set out in the audited consolidated financial statements of the Issuer. The Guarantor's historical financial information for the financial year ended 31 December 2014 as audited by Grant Thornton is set out in the applicable audited consolidated financial statements of the Guarantor. The Guarantor's historical financial information for the financial years ended 31 December 2015 and 2016 as audited by PricewaterhouseCoopers is set out in the applicable audited consolidated financial statements of the Guarantor. Such audited consolidated financial statements are available for inspection as set out in section 16 below.

There were no significant adverse changes to the financial or trading position of the Issuer and/or the Guarantor since the end of the financial period to which their respective afore-mentioned last audited consolidated financial statements relate. Furthermore, the Issuer and the Guarantor hereby confirm that there has been no material change or recent development which could adversely affect potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.

12 LITIGATION PROCEEDINGS

Except as set out below, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer and/or Guarantor are aware) during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as a whole.

The Issuer and the Guarantor are co-defendants in court proceedings against them for alleged unpaid professional fees. Although the Issuer and Guarantor have reason to believe that they will prevail on the merits for which they will vigorously defend themselves, the proceedings are still at an early stage and the ultimate outcome cannot be predicted at this time. The Issuer is also a defendant in proceedings against it for alleged unpaid works in relation to capital repairs at Palm City Residences. The Issuer believes that it has a strong defence in respect of these claims; however, in the event of an adverse determination of any and all such claims the Issuer's liability is not expected to have any material adverse effect on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as a whole.

13 ADDITIONAL INFORMATION

13.1 Memorandum and Articles of Association of the Issuer

13.1.1 Objects

The Memorandum and Articles of Association of the Issuer is registered with the Registry of Companies. The main objects for which the Issuer is constituted, which are limited to activities outside Malta and to such other acts as are or may be necessary for its operations from Malta, are to directly or indirectly acquire and develop real estate opportunities in North Africa, including without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, residential gated compounds, housing, hotels, build-operate-transfer and other governmental projects, and conference centres. Clause 4 of the Memorandum of Association contains the full list of objects of the Issuer.

The Memorandum and Articles of Association of the Issuer otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of the Prospectus at the registered office of the Issuer as set out under the heading "Documents available for inspection" in section 16 of this Registration Document and at the Registrar of Companies of the MFSA.

13.1.2 Share capital of the Issuer

The Issuer has an authorised share capital of €100,000,000 divided into 50,000,000 ordinary 'A' shares of €1 each and 50,000,000 ordinary 'B' shares of €1 each and an issued share capital of €48,002,000 divided into 24,001,000 ordinary 'A' shares of €1 each and 24,001,000 ordinary 'B' shares of €1 each, all fully paid up. CPHCL holds 24,001,000 ordinary 'A' shares of €1 each, NREC holds 19,200,800 ordinary 'B' shares of €1 each and LPTACC holds 4,800,200 ordinary 'B' shares of €1 each.

Since incorporation, the Issuer allotted shares as detailed below:

Date of allotment	*Number of shares*	*Shareholder*	*Consideration*
Initial share capital, issued on 12 December 2005	1,000 ordinary 'A' shares	CPHCL	€1,000 in cash
Initial share capital, issued on 12 December 2005	1,000 ordinary 'B' shares	NREC	€1,000 in cash
21 February 2006	24,000,000 ordinary 'B' shares	NREC	€24,000,000 in cash
16 March 2006	24,000,000 ordinary 'A' shares	CPHCL	Capitalisation of shareholder's loan

On 12 September 2007, 4,800,200 ordinary 'B' shares of €1 each were transferred by NREC to LPTACC.

In terms of the Memorandum and Articles of Association of the Issuer, the Board may be authorised, by the members through an extraordinary resolution in general meeting or by a resolution in writing executed by or on behalf of each member who would have been entitled to vote on it if it had been proposed at a general meeting, to exercise the power of the Issuer to allot shares up to the amount of the authorised but unissued share capital of the Issuer for the time being (or for such other amount as the authority may state), and the Board may allot, grant options over, or otherwise dispose of, such shares to such persons on such terms and in such manner as they think fit.

In terms of the Issuer's Memorandum and Articles of Association, no issue of shares in the Issuer shall take place where such issue would dilute a substantial interest of the shareholders of the Issuer without prior approval of the shareholders in general meeting.

It is not expected that shares in the Issuer shall be issued during the current financial year, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

The shares of the Issuer are not listed on the MSE, nor has an application ever been filed for the shares of the Issuer to be quoted on the MSE Official List. There is no capital of the Issuer which has been issued to the public during the two years immediately preceding the publication of the Prospectus.

13.1.3 Voting rights and restrictions

The holders of shares in the Issuer are entitled to vote at meetings of the shareholders of the Issuer on the basis of one (1) vote for each share held.

13.1.4 Powers of Directors

The Directors are vested with the management of the Issuer, and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and in this respect have the authority to enter into contracts, sue and be sued in representation of the Issuer. In terms of the Memorandum and Articles of Association they may do all such things that are not by the Memorandum and Articles of Association reserved for the shareholders in general meeting.

Directors may not vote on any proposal, issue, arrangement or contract in which they have a personal material interest.

The amount of remuneration payable to the Directors is, in terms of the Memorandum and Articles of Association, to be established by an extraordinary resolution of the shareholders.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and give security therefor, as it thinks fit.

There are no provisions in the Issuer's Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

13.1.5 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the two (2) years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Issuer or any of its subsidiaries.

13.2 Memorandum and Articles of Association of the Guarantor

13.2.1 Objects

In terms of clause 4.6 of its Memorandum of Association, the Guarantor is, amongst other things, authorised to borrow, raise or secure the payment of money for the purpose of or in connection with the company's business and to secure the repayment of any moneys borrowed by hypothecation, charge or lien upon the whole or part of the movable and immovable property or assets of the company. Furthermore, the Guarantor is authorised to give guarantees or provide security for any such persons, firms and companies as the directors may deem fit and proper and on such terms as may seem expedient and, in particular, to companies in which the company has an interest.

The Memorandum and Articles of Association of CPHCL otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of directors.

A copy of the Memorandum and Articles of Association of the Guarantor may be inspected during the lifetime of the Prospectus at the registered office of the Issuer as set out under the heading "Documents available for inspection" in section 16 of this Registration Document and at the Registrar of Companies of the MFSA.

13.2.2 Share capital of the Guarantor

The authorised and issued share capital of CPHCL is €20,000,000 divided into 20,000,000 ordinary shares of a nominal value of €1 each, all fully paid up, which are subscribed to as set out in sub-section 8.2 of this Registration Document.

The shares of the Guarantor are not listed on the Exchange. Application has not been filed for the shares of the Guarantor to be quoted on the Official List of the Exchange.

It is not expected that shares in the Guarantor shall be issued during the current financial year, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Guarantor which is currently under option which could result in a change in control of the company, nor is there any agreement by which any part of the capital of the Guarantor is to be put under such option.

13.2.3 Voting rights and restrictions

Unless otherwise provided in the terms of the issue, the holders of shares in the Guarantor are entitled to vote at meetings of the shareholders of the Guarantor on the basis of one (1) vote for each share held.

13.2.4 Powers of CPHCL's directors

The directors are vested with the management of the Guarantor and their powers of management and administration emanate directly from CPHCL's Memorandum and Articles of Association and the law. In terms of said Memorandum and Articles of Association, they may do all such things that are not by the Memorandum and Articles of Association reserved for the shareholders in general meeting.

The amount of remuneration payable to the directors of CPHCL is, in terms of the Memorandum and Articles of Association, to be established by an extraordinary resolution of the shareholders.

In terms of its Memorandum and Articles of Association, the Board of directors of the Guarantor may exercise all the powers of the Guarantor to borrow money and give security therefor, as it thinks fit.

There are no provisions in the Guarantor's Memorandum and Articles of Association regulating the retirement or non-retirement of said company's directors over an age limit.

13.2.5 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the two (2) years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Guarantor or any of its subsidiaries.

14 MATERIAL CONTRACTS

The Issuer, the Guarantor and/or other Group entities have not entered into any material contracts which are not in the ordinary course of their respective business which could result in either the Issuer or the Guarantor or any member of the Group being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet their respective obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

15 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Financial Analysis Summary reproduced in Annex C of the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 29 May 2017 has been included in Annex C of the Securities Note in the form and context in which it appears with the authorisation of Rizzo, Farrugia & Co. (Stockbrokers) Ltd. of Airways House, Third Floor, High Street, Sliema SLM 1549, Malta, which has given, and has not withdrawn, its consent to the inclusion of said report herein. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. does not have any beneficial interest in the Issuer or the Guarantor. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

16 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta during the term of the Bond Issue during office hours:

i. the Memorandum and Articles of Association of the Issuer;
ii. the Memorandum and Articles of Association of the Guarantor;
iii. the audited consolidated financial statements of the Issuer for the years ended 31 December 2014, 2015 and 2016;
iv. the audited consolidated financial statements of the Guarantor for the years ended 31 December 2014, 2015 and 2016;
v. the letter of confirmation drawn up by Grant Thornton dated 29 May 2017;
vi. the Financial Analysis Summary dated 29 May 2017 reproduced in Annex C of the Securities Note; and
vii. the original Guarantee given by the Guarantor in respect of the Bonds, as set out in Annex A of the Securities Note.

The documents listed in (i) to (iv) above are also available for inspection in electronic form on the Issuer's website www.mihplc.com.